

# VOLKSWAGEN

GROUP RUS

## **Volkswagen Components and Services, LLC GENERAL PURCHASE CONDITIONS / SCOPE OF GENERAL ACQUISITION**

*Version: 2021-07-20*

**The amendments have been made to the following chapters / paragraphs (regarding Version 2020-11-16):**

- Chapter 3, Clause 3.8;
- Chapter 4, Clauses 4.2, 4.6, 4.7;
- Chapter 5, Clause 5.8;
- Chapter 6, Clause 6.1;
- Chapter 7, Clause 7.1 ;
- Chapter 11, Clause 11.5;
- Chapter 14, Clause 14.2;
- Chapter 15, Clause 15.3;
- Chapter 22, Clause 22.4.

**PUBLIC**  
—  
ОБЩЕДОСТУПНО

## “General purchase conditions of Volkswagen Components and Services, LLC / sphere of general acquisition” Version 2021-07-20

### 1. Applicable law

Contracts entered using “General purchase conditions” (hereinafter referred to as "GPC"), their interpretation and execution, as well as all other legal relations arising between the Parties are governed by substantive and procedural law of the Russian Federation.

### 2. Definitions

The following definitions are applied to the entered contracts and attachments thereto:

**VCS** - limited liability company “Volkswagen Components and Services”;

**VW** – VCS and / or other legal entities located in the Russian Federation or abroad, belonging to the same group as VCS;

**Contractor** - a legal entity, individual entrepreneur or a natural person, with whom VCS has concluded a contract referred to in paragraph 3.1 of the GPC;

**Parties** – VCS and the Counterparty;

**VGR** - limited liability company “VOLKSWAGEN Group Rus”;

**Platform** – VOLKSWAGEN Group Suppliers web platform “B2B-Lieferantenplattform” at: [www.vwgroupsupply.com](http://www.vwgroupsupply.com)

**Call-Off** - a request for supply / provision of services / performance of work under a framework agreement drawn up by VCS in the form posted on the Platform (Cooperation – Procurement Conditions new – Volkswagen Group Rus – General Procurement Terms & Conditions), and sent to the Contractor if required, in accordance with the terms of the contract.

### 3. Implementation of GPC and contract conditions

3.1 These GPCs are applied both to one-time and framework buy and supply contracts, contractors’ agreements (including *construction* contracts), *lease* contracts, paid service contracts, *commission* contracts, agency contracts, freight forwarding contracts, storage contracts, *customs broker* contracts, as well as mixed contracts containing elements of the contracts and agreements enumerated in this Clause (within the GPCs each contract individually is referred to as “Contract” and collectively “Contracts”).

3.2 Apart from the GPC, the freight forwarding service contracts are governed by the Procurement Conditions of OOO VOLKSWAGEN CS for freight forwarding services (hereinafter referred to as the "PC for FFS"). In case of a conflict between the terms and conditions of the GPC and the PC for FFS, the terms and conditions of the PC for FFS shall apply.

3.3 The GPC shall apply to the extent they do not contradict the terms and conditions of the Contract. In case of a conflict between the terms and conditions of a particular Contract and the terms and conditions of the GPC, the terms and conditions of the particular Contract shall prevail, even if not explicitly stated therein.

Non-application of specific provisions of GPC in certain cases, inclusion of other additional terms and conditions into Contracts, as well as their prioritization, all it depends on terms and conditions of Contract specific for respective contract type. Moreover, certain terms and conditions of the GPC may not apply in specific situations to specific legal relations between the Parties, if expressly stated in the relevant Contract, with a reference to the relevant non-applicable provisions of the GPC.

3.4 These GPC are applied to Contracts entered between a Contractor and VCS and to other legal relations arising between a Contractor and VCS in connection with execution of made Contracts.

They are also valid for Contracts and legal relations with a Contractor in which VCS takes part on the basis of the power of attorney on behalf of a third part.

3.5 Any general terms and conditions applied by a Contractor shall not constitute a part of Contract made by VCS, even if by execution of such Contract this is not specified directly. Exclusion may exist only in case when VCS directly express its written consent to include any general terms and conditions of a Contractor into contract.

3.6 Terms and conditions of Contract uncoordinated between the parties shall not affect its ability of entry into legal force if the Parties reached a settlement on all its material conditions. In such case instead of terms and conditions uncoordinated between the Parties the corresponding terms of coordinated conditions of Contract and terms of regulatory legal acts of the Russian Federation are applied.

3.7 Any condition of Contract, whenever possible, shall be interpreted in such a manner that it is valid and effective from the viewpoint of applicable law. In the event that any condition of Contract is impossible or invalid from the viewpoint of applicable law, this Contract becomes void only in the part of executing such condition. The rest part of conditions in the Contract shall be fully binding for the Parties and remains valid. In case that any condition is impossible or invalid the Parties shall replace the impossible or invalid condition by a condition corresponding the economic outcome aimed by the Parties when concluding the Contract to the best advantage.

If one of the clauses of Contract conflicts with the applicable legal requirements, the Parties shall be guided by the applicable legal requirements. If due to changes in legislation one of the clauses of Contract previously declared invalid emerges as law, the corresponding condition of the Contract also becomes effective.

3.8 VCS reserves the right to make amendments to the GPC/PC for FFS/ PTC for Construction and Repair Works (the "Amendments"), at its own discretion, two (2) times a year at most (in February and/or July). In that event, a revised edition of GPC/PC for FFS/ PTC for Construction and Repair Works in electronic form shall be published by VCS on the Platform with indication of the effective date thereof.

The Contractor will monitor the Amendments on the Platform on its own. If the Contractor has any objections to the Amendments made by VCS, the Contractor shall inform VCS thereof in writing within fifteen (15) calendar days after such Amendments were published on the Platform. The Parties agreed that, if no objections are received from the Contractor within the aforesaid time, it shall mean the Contractor's acceptance of the Amendments and incurrance of its duty to fulfill its obligations under the Contract pursuant to the prerequisites of the GPC/PC for FFS/ PTC for Construction and Repair Works as worded by the Amendments. Should the Contractor file its objections to the amended edition of the GPC/PC for FFS/ PTC for Construction and Repair Works within the period set above, the GPC/PC for FFS/ PTC for Construction and Repair Works shall continue to apply in the wording effective before the Amendments rejected by the Contractor.

## **4. Conditions of goods delivery, performance of work, rendering of services. Checks and control of VW**

### *4.1 Packing and marking of goods*

The contractor shall package and pack the goods in such a manner that it would not have been damaged even under increased load during transportation and storage.

Each package shall be affixed by packing list enabling to determine the contents of the package.

Marking on the package has to be well legible and indelible. The package shall be marked at least by the names of the Parties, denomination of Contract and its number, as well as the number of package (actual number and the total number of packages), gross and net weight, dimensions of the package and recommendations on handling in Russian, if the goods were produced in the Russian Federation) and in German / Russian or English / Russian (if the goods were produced in any country other than the Russian Federation).

If picture symbols are used for designation of recommendations on handling the goods in international practice, they shall be present on the package of goods.

*The package of the goods, as well as the goods themselves (each item of the goods, when it is technically possible) and/or the label (if any), and the shipping documents shall bear a Uniform Mark of Product Circulation in the Market of the EAEU ("EAU"), which attests that the goods have gone through all conformity evaluation (confirmation) procedures, as established in the EAEU technical regulations, and comply with all requirements of all EAEU technical regulations applicable to such goods, as attested by the documents provided for the respective forms of conformity evaluation in the EAEU.*

#### 4.2 Acceptance of goods and transfer of title thereto

Transfer of goods to a VCS representative shall be carried out at the address agreed by the Parties within associated Contract.

Delivery of goods is executed by consignment notes or 1-status UTD (Unified Transfer Documents) and the corresponding transport documents. Consignment notes for each lot of goods shall be made up in two copies. One copy is for the Contractor, the other is for VCS. Every consignment note shall be signed by authorized representatives of both Parties of Contract at the moment of actual transfer of goods unless the Parties shall otherwise agree. Transport documents are made up in compliance with the rules prescribed by the law and other legal instruments regulating the operations of relating transport.

Unloading of goods at the point of destination from transport vehicles performing delivery, including removal of appliances, fixtures, covers and other auxiliary equipment (jacks, stands, inserts, trays, pallets, lining, wire, guard plates etc.) required for transportation of goods shall be performed by the Contractor or an authorized person unless otherwise agreed and specified by the Parties in the relevant Contract.

By transfer of goods the VCS's representative together with the representative of the Contractor checks the quantity and assortment of goods with respect to compliance with shipping documents and with Contract and attachments thereto (orders, specifications, etc.) agreed by the Parties. If short delivery, incompleteness and (or) other discrepancies of goods with the supporting documents thereto and terms and conditions of the Contract and attachments thereto (orders, specifications and etc.) are detected, the Parties shall make up bilateral Act on detected discrepancies and coordinate the manner of removing shortcomings introduced by the Contractor. Such Act has to be signed by the Parties' representatives carrying out acceptance of goods. The contractor, at its own expense, in compliance with the choice agreed by the Parties and at the stated time, shall remove the defects and discrepancies for which it is responsible (to refill short delivery, to supply the missing incomplete goods, to change or repair defected goods or the goods which does not comply with the terms and conditions of Contract).

If there is no representative of the Contractor authorized to check the goods during the transfer of goods, all detected discrepancies concerning quantity, assortment and quality shall be deemed as caused by the fault of the Contractor. In such case the time for defects elimination / replacement of goods is set by VCS unilaterally.

Together with goods the contractor transfers VCS general documentation containing operating manual, technical documents and maintenance manual for goods. General technical documentation shall be transferred in two copies in Russian (if the goods were produced in the Russian Federation), and in German / Russian or English / Russian (if the goods were produced in any country other than the Russian Federation), in hard copy or on electronic media.

However acceptance of goods from the part of VCS and likewise the following signing of Commissioning certificate, if necessary, shall not mean that VCS releases the associated remedies at law which it is entitled to impose in case of goods discrepancies detection.

The contractor guarantees that delivered goods are its property until the moment of shipment, not in pledge, not detained, not encumbered in favor of third Parties.

The ownership right for the goods as well as risks of accidental loss or damage of the goods will pass to VCS at the time of transfer of the goods to a representative of VCS and execution of the relevant consignment note unless another time of passage of the ownership right and risks is agreed between the Parties in the relevant Contract.

VCS has the right to refuse acceptance of the delivered goods in the event of the discovery of defects that prevent its VCS intended use and can not be immediately removed by the Contractor. The refusal to accept the goods on this ground do not lead to the emergence counterparty has the right to file a VCS claims for damages and/or payment of liquidated damages, penalties, fines.

#### 4.3 Acceptance of works / services

The fact of performance the work / provision the services shall be confirmed by the relevant Certificate of Acceptance / Certificate of Delivery and Acceptance of services (works) / Certificate of Rendering Services (performance of work) (hereinafter referred to as the "Acceptance Certificate"), and in the case of payment by hourly rates, it shall be done also with a time attendance card or a corresponding report (hereinafter referred to as the "Card / Report") indicating the number of working hours which have been worked by the Counterparty's employees, которые shall be provided by Contractor to VCS, unless other terms have been agreed upon in the relevant Contract, – within 5 (five) calendar days after performance of the works / provision of the services under the Contract or under a specific order of VCS (in case of framework contracts), or within 5 (five) calendar days after the end of each month (if the works have been performed / services provided for more than one month), in duplicate, signed by the Counterparty. The Acceptance Certificate shall include the list, volume and cost of the work performed / services rendered, as well as information listed in Clause 5.4 of GPC.

During 10 (ten) working days, unless otherwise agreed by the Parties in the related Contract, since the date of receipt of the Acceptance Certificate and the Card / Report (if their submission is necessary) were received VCS shall check their content and sign the mentioned documents or provide the Contractor with a reasonable written refusal to sign them. Signing of certificates KS-2 by VCS shall not be deemed as acceptance of works regarding quality.

In case of motivated refusal from acceptance of works/services within 10 (ten) working days from the date when the mentioned Acceptance Certificates and Card (if it is necessary to provide) were received VCS shall send to the Contractor a list of remarks for necessary improvements indicating the periods of their execution. Upon receipt of the refusal from VCS to accept the works / services and list of remarks the Contractor accomplishes improvements at its own expense. The next acceptance of works and/or services after elimination of defects shall be carried out by the Parties as it set forth in this Clause of GPC.

4.4 If the Contractor uses the universal transfer document as documents supporting the business transaction, instead of the invoice, consignment notes and the Act, the Contractor provides universal transfer document to VCS.

#### 4.5 Rights of VW for checks and control

At the request of VCS and/or the Audit Department of VOLKSWAGEN Aktiengesellschaft, Berliner Ring 2, D-38436 Wolfsburg (hereinafter, VWAG Audit Department), sent via electronic communication channels (by e-mail), the Contractor shall, no later than ten (10) working days from the date of receipt of the relevant request, provide to the authorized representatives of these persons the opportunity to get acquainted with accounting and other documents related to the execution of the Contract concluded between VCS and the Contractor, and if any third parties (subcontractors/subsuppliers) be engaged for the purpose of executing such a Contract, to provide the opportunity to get acquainted with contracts concluded by the Contractor with such third parties, payment and other financial documents related to the execution of such contracts (copies of primary documents of third parties engaged by the Contractor for the execution of the Contract with VCS: contracts and annexes thereto, acceptance certificates, VAT invoices, shipping documents, payment orders, Unified Transfer Documents, etc.).

At the request of the Contractor, the term for the submission of information and/or documents may be extended by the time required to obtain permission to disclose to VCS and/or the VWAG Audit Department the confidential data contained in such information and/or documents.

The above documents shall be provided by the Contractor to VCS and/or the VWAG Audit Department via e-mail to the e-mail address specified by VCS in the form of easily readable copies of documents, and at the request of VCS or the VWAG Audit Department, in the form of duly certified copies of documents in hard copy sent to the postal address of VCS specified in the Contract concluded by and between VCS and the Contractor.

If significant losses or damage are caused to VW or its business reputation or any such losses or harm threaten as a result of violation by the Contractor of its obligations under the Contract, VCS and the VWAG Audit Department are also entitled to verify the procedure of execution by the Contractor of the Contract by conducting an appropriate audit, provided that such an audit:

- will be carried out during the standard working hours of the Contractor's enterprise and with prior advance notification to the Contractor;
- will not violate or cause suspension of the normal operating process of the Contractor;
- will be carried out subject to the requirements of the security policies of both Parties.

The Contractor shall provide the representatives of VCS and/or the VWAG Audit Department with access to the Contractor's entity.

In the process of preparing and conducting an audit, VCS and/or the VWAG Audit Department are entitled to send a request to the Contractor for information and/or documents related to the subject of the audit, including those specified in the first paragraph of this clause of the GPC.

In case of non-fulfillment by the Contractor of the obligations stipulated in this clause of the GPC to ensure access for representatives of VCS and/or the VWAG Audit Department to the Contractor's enterprise to conduct an appropriate audit or to provide the requested documents (including refusal to provide accounting documents related to the execution of the Contract between VCS and the Contractor or copies of the primary documents of third parties engaged by the Contractor for the execution of the Contract; provision of inaccurate information, provision of an incomplete set of documents requested by VCS and/or the VWAG Audit Department; untimely provision of the requested documents), VCS is entitled to suspend the fulfillment of its obligations under the Contract by sending the relevant notification to the Contractor in the manner prescribed in Clause 18.4 of the GPC. VCS shall not be held liable for the failure to fulfill its obligations under the Contract during the period between the suspension of the fulfillment of obligations under the Contract and the fulfillment by the Contractor of the obligations specified in this clause of the GPC.

#### 4.6. Procedure for emailing Orders

*Orders made by VCS and sent to the Contractor in accordance with the terms of the Contract shall be valid and subject to execution by the Contractor, if they are received by the Contractor via electronic communication channels (by e-mail) from an e-mail address with the domain name: volkswagen.ru, volkswagen-rus.ru, audi.ru, skoda-avto.ru, vwgroup.ru, bentley.co.uk, lamborghini.com, ducati.ru. In this case, a delivery notification generated by the e-mailing software shall be deemed a confirmation of receipt of the Order by the Contractor.*

#### 4.7 The Contractor's employees transportation to the VCS plant

*The Contractor independently organizes the delivery of its employees to the VCS plant and does not have the right to use the VCS official transport, organized by it for the delivery of VCS employees to the plant and back.*

## 5. Price and procedure for settlements

5.1 Contract price is fixed and not subject to changes unless the Parties shall otherwise agree in writing.

5.2 Unless the Parties shall agree otherwise in writing, the Contract price includes any and all expenses of the Contractor associated with performance of works / rendering of services / delivery of goods. Costs for transportation, expedition and packaging shall be included into the price of goods unless otherwise arranged between the Parties.

5.3 Bills, invoices, consignment notes, Acceptance Certificates and other documentation specified in Contract and / or Order shall be directed by the Contractor to VCS to the following address:

OOO "VOLKSWAGEN CS"  
1, Avtomobilnaya St., Kaluga, 248926

5.4 Bills, VAT invoices, Acceptance Certificates, UTD (Unified Transfer Documents), shipping and other documents provided for in the Contract shall be submitted to VCS indicating on the envelope the name of the customer ordering the corresponding product/work/service.

Bills, VAT invoices, Acceptance Certificates, Unified Transfer Documents, shipping and other documents forwarded by the Contractor to VCS in connection with fulfillment of the Contract, shall contain the following Contract details: contract name, date and number. Bills, VAT invoices, Acceptance Certificates, UTD shall also contain the Call-Off number (when issued in accordance with the terms of the Contract). VAT (if any) shall be indicated on a separate line. VCS has the right to delay a payment if there is no reference to the details of the Contract in such documents or if there is no name of the customer of the corresponding product/work/service on the envelope used for sending the above documents under the Contract. With that, VCS shall not be responsible for the delay in payment.

5.5 If the Contractor acting as an Agent under the Contract executes on its behalf, by order and at the expense of VCS any legal and other acts including engagement of entities and individuals (including individual entrepreneurs) for performance of services / works for VCS, VCS will compensate to the Contractor, pursuant to Art. 1001 of the Civil Code of the Russian Federation, expenses agreed in advance in writing with VCS and supported with documents associated with payment for services / works of third parties associated with performance of services / works for VCS. Copies of primary documents evidencing expenses borne by the Contractor at the expense of VCS for payment for works / services of third parties (contracts and appendices thereto, Acceptance Certificates, invoices, consignment notes, payment orders), as well as relevant invoices executed in accordance with laws shall be attached by the Contractor to the Agent's report to be provided by the Contractor upon fulfillment of the relevant order of VCS.

5.6 If according to the Contract executed between the Parties VCS is obliged to compensate expenses of the Contractor, including overhead costs, borne by the latter in connection with performance of works / services or delivery of goods, VCS shall compensate expenses only subject to documentary evidence of such expenses through provision of copies of relevant documents (receipts, invoices and documents evidencing payment thereof including payment orders etc.).

When the Contract doesn't set the other terms, overhead costs of the Contractor stipulated hereto in GPC shall include expenses on air travel and / or expenses on railway transportation, living expenses (excluding expenses on additional services in hotels), expenses on transfer in the territory of Russian Federation from airport, railway station and back, expenses on visa processing and visa issuance.

Listed above expenses shall be confirmed by the Contractor by means of providing to VCS together with Acceptance Act / delivery docket copies of the following documents:

- in case of compensation of expenses on air travel: boarding passes, itinerary receipt;
- in case of compensation of expenses on railway transportation: railway tickets;
- in case of compensation of expenses on living: invoice the hotel and sales check;
- in case of compensation of expenses on transfers: notice of delivery with the cost of transfer;
- in case of compensation of expenses on visa processing and visa issuance: invoice for visa payment, copy of passport page with issued visa.

If in the course of performance of works / services the Contractor suffers any additional expenses not covered by the corresponding Contract and/or appendixes or supplementary agreements and/or cost estimates thereto, such expenses will be compensated by VCS to the Contractor only subject to prior written approval thereof by VCS, for example, by introduction of appropriate amendments to the Contract and/or an appendix thereto and execution of an appropriate supplementary agreement as well as documentary evidence as specified in this Clause.

5.7 VCS's payment obligations are deemed to be settled at the moment of debiting the VCS's settlement account for the corresponding amount of money in favor of the Contractor. The percentages stipulated in Article 317.1. Civil Code of the Russian Federation are not accrued and not paid.

5.8 The bank fee for transfer of money is to be paid by VCS. VCS has also to pay a bank fee, if money returns to the VCS account other than due to a failure to credit the money to a Contractor's settlement account, through the fault of VCS, upon transfer of money to the Contractor's account (including without limitation: due to incorrect bank details specified by VCS). Contractor shall independently pay a bank fee, if money returns to the VCS account through the fault of Contractor (including without limitation: due to incorrect bank details specified by Contractor). *In case of repeated payment of the returned payment due to incorrect details provided by the Contractor, all commissions for the payment are paid at the expense of the Contractor.*

5.9 The Parties agree that regardless of procedure of settlements applicable under Contract the Contractor in no circumstances may have the right of pledge in respect of goods to be delivered to VCS / results of works / services executed / rendered for VCS.

5.10 If framework Contracts are executed with a Russian Contractor for the term of over 3 (three) months, the Parties will regularly (once per month or quarter, as agreed between the Parties) make verification of settlements and after that the Contractor shall provide VCS with relevant verification statements.

5.11 Upon request of VCS, the Contractor shall provide VCS with a confirmation of its permanent location (hereinafter - the "Confirmation"), including a note about international legalization (Apostille, consular certification and so on.), prior to the date of the relevant payment made by VCS under the contract with the Contractor. In case of failure to provide the Confirmation by the Contractor or in case of non-compliance of the form and/or content of the Confirmation with the requirements of the Russian and international law, VCS has the right to withhold the payment until VCS receives from the Contractor the duly executed Confirmation, or make a payment with deduction of the tax amount payable in the Russian Federation when the Contractor receives RF-source income. Provided that, VCS is not responsible for any delay of payment or for a partial execution of the payment due to the deduction of the tax amount.

## **6. Quality requirements**

6.1 The goods delivered / works executed / services rendered by the Contractor shall comply with the quality requirements specified in regulatory legal acts and regulatory technical certificates of the Russian Federation, EAEU and/or with the requirements of VW set forth in associated Contract and/or attachments thereto.

The contractor shall hand over to VCS together with goods the certified copy of certificate of conformity (quality certificate) for the goods and/or certified copy of conformity declaration when the goods are subject to certification.

*Should a license be required for works/services, the Contractor shall present a certified copy of such license to VCS before entry into of the Contract.*

The contractor is responsible for visual defects of the goods emerged before their transfer to VCS. Claims associated with latent defects of the goods (factory defects, etc.) can be raised by VCS within guarantee period specified for these goods. Latent defects are those which could not be detected by VCS during the normal check for such goods and were found out only in the process of treatment, preparation for sales, preparation for assembling, in the process of installing, testing, using and storing the goods.

6.2 The goods, results of works / services as well as the corrected parts of goods / results of works / services delivered, performed or rendered instead of defective ones are covered by the guarantee with the fixed term 24 (twenty four) months from the date of transfer of goods, results of works, corrected parts and signing of consignment bill, certificate on acceptance of executed works concerning elimination of any defects unless another guarantee period is specified in the related Contract and/or supporting documents attached to the goods.

If the goods / results of performed works could not be used by VCS due to detected defects, the guarantee period for the goods / the results of performed works/rendered services shall be prolonged for the term of elimination of such defect by the Contractor.

6.3 If the Parties do not agree other terms, the Contractor shall replace the goods of poor quality within 5 (five) working days from the date of receipt of the VCS's notification about detection of defected goods and the VCS's claim for replacement of goods. If such goods are not available in stock of the Contractor at the moment when the corresponding notification from VCS is received, the replacement of goods shall be carried out within 5 (five) working days from the date when such goods enters to the contractor's warehouse. Delivery of goods associated with elimination of defects or exchange of defected goods is performed by and at the expense of the Contractor.

6.4 In the event that any defects of goods or performed works/ rendered services are detected and the Contractor does not start to eliminate them immediately upon receipt of the corresponding notification from VCS unless other time was arranged between the Parties, VCS is entitled to eliminate them at its own expense and to require from the Contractor reimbursement of its expenditures incurred in connection with elimination of such defects in the manner provided for in the current legislation of the Russian Federation.

## 7. Third party engagement

7.1 *For the services below*, the Contractor may only engage third parties for the performance of the relevant Contract subject to prior approval in writing of such third parties by VCS. The Contractor shall send name(s) and TIN(s) of the third party(-ies) to be engaged to VCS for having them approved by it. The list of third parties approved by VCS shall be executed as a separate annex to the Contract indicating the date of VCS's approval of the opportunity of such engagement with respect to each third party. VCS may unilaterally and extra-judicially amend such annex to the Contract with the list of approved third parties (amend or supplement the list or invalidate it). The said amendments shall become effective on the date specified by VCS in the new version of the annex to the Contract, but not before the receipt by the Contractor of such new version of the annex to the Contract in electronic form which is sent by VCS *via electronic communication channels (by email) from an email with such domain name as: volkswagen.ru, volkswagen-rus.ru, audi.ru, skoda-avto.ru, vwgroup.ru, bentley.co.uk, lamborghini.com, ducati.ru*. In this case, a delivery notification generated by the e-mailing software shall be a confirmation of receipt of the annex by the Contractor.

Engagement of third parties for the performance of the Contract by the Contractor before VCS's approval of the opportunity to engage such third party or engagement of a third party not approved by VCS shall be prohibited, and in case of violation of the prerequisites of this Clause 7.1 of the GPC, VCS may require the Contractor to pay a penalty in the Contract currency in the amount equivalent to one hundred thousand (100,000) rubles for each instance of violation of the said requirement by the Contractor and/or repudiate the Contract unilaterally and following an extra-judicial procedure in accordance with Clause 11.12 of the GPC.

*Services wherefore third parties may only be engaged with prior approval of VCS in writing.*

- *forwarding services and motor transportation services within the Russian Federation, including employees carriage services;*
- *brokerage services;*
- *arrangement of events;*
- *tests;*
- *disposal;*
- *security services;*

The provisions of this Clause 7.1 of the GPC as amended apply to the Contracts entered into after *August 1, 2021*.

7.2 As to contracts made by the Contractor with subcontractors/subsuppliers in execution of the Contract with VCS the Contractor acquires rights and becomes liable even if VCS is mentioned in transaction.

7.3 In the event that third Parties (subcontractors) are engaged for execution of the Contract the Contractor remains liable to VCS for their actions or inactions, as well as for proper and timely delivery of goods / performance of works / provision of services under the Agreement concluded between VCS and the Counterparty.

If the Contractor acting as an Agent under the Contract executes on its behalf, by order and at the expense of VCS any legal and other acts including engagement of entities and individuals (including individual entrepreneurs) for performance of works / services for VCS, then the Contractor shall assume a guarantee (delcredere) to VCS for execution by third parties of transactions executed on account of VCS. The cost of such guarantee shall be covered by the total cost of the Contractor's services under the Contract.

7.4 VCS is not liable for failure of subcontractors /subsuppliers of the Contractor to execute their obligation to pay taxes, fees, levies and other payments, prescribed by requirements of Russian current legislation, EAEU and applicable law of foreign state, where that obligation shall be executed.

7.5 In case of engagement by the Contractor to execution of the Contract third parties (subcontractors/sub-suppliers) the Contractor shall stipulate in the contract with third parties (subcontractors/sub-suppliers) the right of VCS and, on its instructions, the right of VWAG Audit Department to conduct respective audits and control in accordance with s. 4.5. of GPC of third parties' (subcontractor's/ sub-supplier's) documents associated with the performance of contracts between the Contractor and third parties (subcontractors/sub-suppliers), concluded in pursuance of the Contract between the Contractor and VCS, in particular, the right to learn contracts concluded by the Contractor with third parties (subcontractors/sub-suppliers), payment and other financial documents associated with the performance of such contracts (copies of source documents of third parties' (subcontractors/sub-suppliers) engaged by the Contractor to perform the Contract with VCS: contracts and appendices thereto, work acceptance certificates, VAT invoices, consignment notes, payment orders, etc.).

## **8. Prohibition on cession of rights and obligations**

8.1 Any assignment of the Contractor's rights and/or obligations, regardless of their content and scope, requires the prior written consent of VCS. The Contractor is hereby notified that VCS gives consent only if VCS is able to conclude, on the basis of the audit results, that the assignment of rights and/or obligations is not contrary to the interests of VCS, and there are no clear signs indicating an intention to violate or circumvent the requirements of applicable laws. Existence of tax debts/other debts to the budget at any level of the budget system of the Russian Federation owed by the Contractor and/or the person to whom the Contractor is going to assign its rights and/or obligations is an undoubted reason to refuse to approve the assignment.

The Contractor shall inform VCS of its intention to make an assignment in advance, at least four months before the proposed assignment. VCS shall make a decision on expressing its consent to the assignment by the Contractor of its rights and/or obligations based on the results of an audit by the security and compliance control divisions. In conducting the audit, VCS is entitled to request documents and explanations of the Contractor regarding the proposed assignment, including, but not limited to information about the business purpose of the transaction and the lack of intent to derive benefits illegally. A standard list of documents shall be sent to the Contractor along with the VCS notification of the audit. The standard audit term is 14 calendar days from the date the Contractor submits all the requested documents.

If the Contractor assigns its rights and/or obligations under the Contract without VCS's written consent, the Contractor shall pay to VCS a penalty in the amount of 10% of the Contract price; at the same time, VCS reserves the right to suspend the fulfillment of its obligations hereunder to the third party to whom the Contractor has assigned its rights and/or obligations hereunder (hereinafter referred to as the "Assignee") until the court's decision confirming the legality of such assignment comes into force. VCS shall not be liable for the failure to fulfill its obligations under the Contract during the period between the suspension of the fulfillment of obligations under the Contract and the entry into force of the court's decision. In addition, VCS

shall not reimburse to the Contractor and/or the Assignee the judicial expenses incurred, unless otherwise expressly provided for by the court's decision.

If the court makes a decision obliging VCS to reimburse to the Assignee any losses, judicial expenses or to pay a penalty due to VCS's failure to fulfill its obligations under the Contract arising out of the Contractor's assignment of its rights and/or obligations under the Contract without the written consent of VCS, the Contractor shall, at the discretion of VCS, either independently pay to the Assignee the amount of the reimbursable losses, judicial expenses, penalty, or compensate VCS for its expenses incurred in connection with the fulfillment of the said court decision.

8.2. VCS, guided by the provisions of its local money laundering regulations, establishes a restrictive approach to the use in settlements with Contractors of payments with the engagement of third parties (execution by a third party for/instead of/on behalf of the Contractor) and in favor of third parties.

VCS does not accept any payments from third parties that are not parties to the Contract, and does not make its own payments to third parties that are not parties to the Contract, unless otherwise expressly provided for by the provisions of VCS's local regulations (in which case the necessary approvals for the relevant exceptions shall be obtained).

## **9. Retention rights and set-off**

9.1 VCS may assign any of the VCS's rights and / or obligations under any Agreement to any persons located in the Russian Federation or abroad, belonging to the same group as the VCS.

9.2 In case of assignment of any rights under the Contract between the VCS and the Counterparty, the VCS and the Assignee of the VCS may, unless otherwise provided by applicable law, enter into agreements with the Contractor for cancellation of liabilities by setting-off the counter homogeneous requirements under the Contracts.

All substantive and procedural rights which a party has under the Contract for any requirement to a joint creditor remain to other joint creditors as well.

9.3 The terms mentioned above are also applied in cases where on the one hand cash payment is stipulated and on the other hand payments by bills are agreed or if mutual requirements have to be settled by different means. In this case the cost of goods, works and/or services is subject to set-off.

9.4 The Contractor shall waive any objections against meeting the requirements for cancellation of any liability by setting-off declared by VCS or its Assignees, unless contrary to the laws of the Russian Federation.

## **10. Intellectual property**

10.1 VW reserves exclusive intellectual property rights and copyrights for the intellectual activity results and means of individualizing (as understood in the Art. 1225 of the Russian Federation Civil Code), including images, drawings, calculations and other documents, as well as models and patterns transferred by VW to the contractor in pursuance of the Contract concluded between them. The third Parties should not access them without VW express consent. They should be used exclusively for the execution of the signed Contract and they should be transferred back to VW after the Contract execution without additional requirements. Unless otherwise expressly stipulated in the relevant Contract or other written agreements between the Parties, no use by the Contractor of designations reproducing trademarks and firm name of VW is authorized. If VW grants to the Contractor any intellectual property rights in any form and scope not prohibited by law, the Parties will execute an appropriate written agreement pursuant to the applicable legislation of the Russian Federation.

10.2 Unless otherwise is provided for in the relevant Contract, in case of creation by the Contractor or third

parties of intellectual property objects, in the process of performing work / providing services under the Contract concluded between the Contractor and the VCS, including but not limited to: databases, electronic information systems, software, works of science, literature, art, design (including advertising materials), audiovisual works, performances, phonograms, music, photographs, (hereinafter "IP") the Contractor shall transfer to VCS (from the moment of signing the Acceptance Certificate, unless a different period is agreed by the Parties) all exclusive rights to the IP belonging to the Contractor or to third parties, respectively, which have been developed and manufactured by the Contractor in the course of work / provision of services under the Contract in full scope, or transfer the rights to use the specified IPs (license, sublicense) in any form and by all means without restrictions, including the methods specified in Articles 1270, 1317, and 1324 of the Civil Code of the Russian Federation, namely: reproduction, distribution, import of the original or copies of the IP for the purposes of its distribution, hire of the original or a copy of the IP, public display, public performance, broadcast, message via cable, public disclosure of the IP so that any person could have access to the IP from any place and at any time of their choice, translation or other processing of the IP, etc.

In case when the exclusive rights to IP belong to the Contractor in full, the Contractor rights to use the IP (license) shall be granted to VCS without retaining the right to issue any licenses to any other persons (the exclusive license).

The scope and nature of the rights to be transferred, as well as the period and territory of their use and the time of their transfer to VW must be specified in the relevant agreement between VCS and the Contractor.

Unless otherwise agreed by the Parties in the relevant contract, the amount of remuneration for transfer of exclusive rights to IP or rights to use IP created by the Contractor or by any third parties in the process of rendering services / performing works under the Contract shall be defined as a one-time fixed payment for the entire amount of the rights to be alienated or granted and specified in the relevant Contract or its annex, or in the estimate, as well as in the Acceptance Certificate or in the Contractor's Report, respectively.

Unless otherwise specified in the relevant Contract,

- VCS shall not provide the Contractor with any report on use of IP, the rights to use which have been granted to VCS by the Contractor,

- VCS shall be entitled to transfer the rights to use the IP independently, without additional coordination with the Contractor,

- VCS shall be entitled to use IP without designation on them of the Contractor's name, or names of authors of the work, or performers and other right holders (the right to anonymous use of IP) from the moment of transfer of the right specified in the Contract.

The Contractor guarantees that the exclusive rights to IP shall not be alienated or transferred on the basis of any license contract to any third parties, and undertakes not to transfer the rights to IP, which have been granted by VCS to any third parties.

The Contractor guarantees that the transferred exclusive copyright and related rights to IP created by the Contractor will belong to the Contractor prior to the transfer of the VCS, and shall have no encumbrances (restrictions), except as defined by the Parties to the Contract and defined by the law.

Should any IP be created on behalf of the Contractor by any third parties, the Contractor shall take all necessary measures and conclude all necessary agreements with the IP authors, as well as with the persons involved in creation of the IP and, if necessary, with persons owning the exclusive rights to IP for acquisition of the copyright and related rights in full or rights of use (exclusive license), with possibility of transferring them to VCS in the amount required by VCS, and on conditions agreed by the Parties, unless the Parties agree otherwise in writing. Should the exclusive rights to the results of intellectual activity belong to any several involved persons jointly, the Contractor guarantees that it will acquire those rights from all their authors and right holders.

10.3 If the Contractor and/or third parties acting by its order engaged by the Contractor for performance of services / works under the Contract between the Contractor and VCS, IP without assignment to VCS of exclusive rights or rights of use for such IP, the Contractor agrees to ensure legal use of the same. For such purpose, the Contractor agrees to execute appropriate contracts with right holders (executors, producers of phonograms, poets, composers and others) or to execute appropriate contracts with organizations managing collective rights having state accreditation (RAE and WIPO).

10.4 Should there be any claims and / or lawsuits submitted to VW by any third parties in connection with any possible violation of the VCS exclusive rights or rights to use the IP, as well as due to the use in the course of the work / provision of IP services without transferring the exclusive rights or rights to use IP to VW, the Counterparty shall settle all of the above claims independently and enforce protection of VW at its own expense against any specified claims and / or lawsuits filed against VW; at the same time, the Counterparty will pay all expenses to VW and reimburse for all losses awarded in accordance with the final decision taken by a competent court against VW, and will reimburse for the court fees and expenses for the services of VW representatives, provided that the Counterparty has been notified in writing by VW of such a claim / lawsuit.

10.5 Brand names and trademarks, as well as VW part numbers are marked on the goods ordered by VCS if the VW documentation requests it or if VW makes such orders. Goods marked in such manner can be delivered only to VW. Reasonably rejected, marked with the brand name or the trademark or the VW part number, goods should be made worthless, if it can't be demonstrably avoided in another way that the rejected goods can be identified as the goods delivered for VW.

## 11. Liability / liability insurance/ renunciation of the Contract

11.1 The Contract Parties are responsible with respect to each other under the provisions of the applicable law, unless otherwise agreed by the Parties in writing in the Contract or in these GPS. Reimbursement of losses and (or) payment of penalty shall not relieve the Parties from execution of the Contract.

11.2 The Contractor shall insure (if there is a relevant requirement of VCS sent to the Contractor at the stage of requesting commercial offers or during negotiations before the conclusion of the relevant Contract) its liability in the performance of activities related to the performance of works/services under the Contract for damage to the life/health/property of individuals, the environment, as well as consumers of products (manufacturer's liability)/*whatever applicable*/ and maintain such insurance for the Contract term.

With that, the Contractor shall provide VCS with:

- a copy of the insurance policy, including internal insurance terms and confirmation of the payment of the insurance premium within fourteen (14) calendar days from the date of conclusion of the relevant Contract with VCS;

- a confirmation of the validity of the insurance during the Contract term within five (5) business days from the date of receipt of the request of VCS. The absence of such confirmation or the provision of false confirmation is a significant violation of the Contractor's obligations under the Contract, which may result in the unilateral and out-of-court repudiation by VCS of the Contract in accordance with Clause 11.12. of the GPC.

11.3 Maximum VCS Contract liability amount, as a penalty payment and (or) damage indemnity, for breach of obligations and other illegal actions, regardless of the liability ground can't exceed 5 % of the Contract price – if the Contract price is paid by single payment, or the appropriate supplying / work stage / services prices, if they have separate invoice (without VAT).

11.4 The penalty should be paid by VCS only in case of the Contractor written reclamation with its payment demand and such reclamation acceptance by VCS. For the purposes of penalty amount determining, the cost of goods / services / price of the Contract is accepted without VAT.

11.5 In the event of a breach by the Contractor delivery time or the beginning or end of the work / stage of work /services/ stage of services established by the contract, the Contractor agrees to pay a penalty fee of VCS 0,3 % (*three-tenths*) of the value of goods / works / stage of works / services / stages of services for delivery / implementation / the provision of which was made the delay for each calendar day of delay, but not more than 10 % (*ten*) of the Contract price - if the price of the Contract shall be paid one-off payment or price of the supply / phase the respective delivery / milestone / services if they exhibit a separate expense (excluding VAT).

*In case of violation by the Contractor of the requirement set forth in clause 4.7 of the GPC, the Contractor undertakes, upon request and within the time specified by the VCS, to pay a penalty in the amount of 1,000 (one thousand) rubles for each case (for each employee of the Contractor) of such violation.*

11.6 The Contractor is liable for any damage caused by it, its employees, subcontractors in the Contract execution, to the VCS property, as well as the third Parties property, life and health. On presentation of any claims relating to damage infliction to these third Parties, the Contractor is obliged to consider and meet the demands of these persons, and in case of presentation of any claims to VCS, to compensate to VCS for all its incurred costs relating to the consideration and full or partial meeting of these claims, including legal costs and expenses for the services of VCS representatives, at a period specified by VCS.

11.7 The Contractor indemnifies to VCS at a period specified by VCS, including, but not limited to: the costs to implement the requirements of the authorized government bodies, fines payment and other expenses incurred by VCS, as a result of:

- the Contractor non-compliance of construction, fire protection, sanitary- epidemiological norms and rules, labor protection, work safety, landscaping and environmental requirements, requirements of tax and customs legislation, and other regulatory legal acts of the Russian Federation, state government bodies of constituent entities of the Russian Federation, local government bodies as well as applicable requirements of international law, law of foreign states (further – “Requirements”);
- the Contractor’ failure to execute / undue execution of its obligations under the Contract, that lead to breach of VCS Requirements.

11.8 The Party, who causes the delay of customs processing (customs clearance) of goods, shall compensate the other Party document supported material losses, caused by stoppage of transport more than 48 hours from the moment of delivery goods to the customs terminal.

11.9 In case of the Contractor failure or improper performance of any its Contract obligations, entailing the impossibility for VCS of any its Contract obligation execution, VCS has the right to increase automatically the obligations execution time specified in the Contract, at the time of Contractor violation eliminating, as well as the time reasonably necessary for VCS to restart the Contract performance. At the request of VCS, the Contractor should reimburse it additional documented expenses resulting from the Contract violation on the part of the Contractor.

If the Contractor commits a violation of any its obligation under the Contract and such violation prevents the Contract execution on the part of VCS, VCS is not responsible for its obligations delay caused by such circumstances.

11.10 The Parties aren’t responsible for nonperformance or improper performance of obligations under the Contract if such violation is a result of force majeure. At the same time the performance period of the appropriate Party obligations is extended for force majeure period, as well as the time reasonably necessary to restart the Contract performance. Force Majeure can be, for example, natural disasters, fire, war, strikes and lockouts, terrorist attacks, changes in laws and actions of state bodies, local authorities and other extraordinary and unavoidable circumstances under appropriate conditions. The Party exposed to force majeure, shall notify the other Party within a reasonable time and, upon its request, prove the existence of these circumstances by a document issued by the competent authority or institution or other reliable documents and evidence. Absence of notice or late notice to the other party entails the loss of right to invoke force majeure circumstances as the circumstances exempting from liability.

If force majeure circumstances are not terminated within 6 (six) months, either Party has the right to refuse to perform the Contract in unilateral and non-judicial order. In the event of such termination, the Parties make mutual payments involving payments of delivered goods under this Contract until its termination.

11.11 In the event of performance of works on the territory of VCS, the Contractor has to observe VCS’s requirements on labor safety and health applicable to contractors. The Contractor shall inform its employees and subcontractors about the content of such requirements and ensure their compliance with them. The content of these requirements can be found on the Platform (section on Cooperation – Procurement

Conditions – Volkswagen Group Rus – General Procurement Terms & Conditions – Occupational Requirements on Labor Safety and Health Applicable to Contractors).

11.12 VCS has the right to refuse the Contract execution in whole or in part in unilateral and non-judicial order by giving notice of termination to the Contractor, in the event, if the Contractor commits a material violation of its contract obligations.

The Contract material violation by the Contractor is considered, in particular:

- contractor's violation of the delivery period or work / services commencement or finish more than 15 (fifteen) calendar days;
- contractor's statements about the impossibility of goods supplying / work performance and services rendering within the contractual time limit;
- contractor's goods delivery in the amount and completeness non-conforming to the Contract, if the Contractor fails to deliver missing goods at the contractual time. In that case, the goods received by VCS shall be paid within 25 (twenty-five) calendar days from the Contract termination date or be returned to the Contractor with the transport costs against the Contractor;
- the liquidation procedure beginning with respect to the Contractor, the use of one of the bankruptcy procedures;
- the expiry or suspension or revocation of the Contractor license validity necessary to fulfill its contractual obligations.
- engagement by the Contractor in the performance of the Contract of third parties not approved by VCS in accordance with Clause 7.1 of the GPC or involvement by the Contractor in the performance of the Contract of third parties before the date of their approval by VCS;
- failure by the Contractor to provide a confirmation of liability insurance or provision of an inaccurate confirmation in case of a relevant request by VCS in accordance with Clause 11.2. of the GPC;
- replacement or change of control over the Contractor with the participation of any Official of the Russian Federation (in accordance with Subclauses (a), (b) and (c) of the first paragraph of Article 19 of these GPC) or an affiliate of such Official of the Russian Federation or any other change of control over the Contractor, following which there is a risk that the interests of VW would be substantially endangered.

In such case, the Contract shall be considered terminated on the date following the day when the Counterparty has received notice of refusal to perform the Contract from VCS, unless any other date is specified in the notification.

11.13. In case of conclusion of any Framework Contract between VCS and the Counterparty for more than 6 (six) months, any Party shall be entitled to refuse to perform it, in whole or in part, at any time in the following manner:

VCS: by sending a notice to the Counterparty no less than 1 (one) month prior to the date of termination of the Contract;

The Contractor: by sending a notice to VCS at least 6 (six) months before the date of termination of the Contract.

In such case, the Contract shall be considered terminated on the date specified in the notice.

Refusal to perform the Contract, committed in violation of the requirements contained in this GPC Clause, shall be invalid and shall not result in termination of the Contract.

Refusal to perform the Contract, committed in the manner prescribed by this GPC Clause, shall not be deemed as a violation, and it shall exclude application of any liability related to early termination of the Contract, to the Party that has declared such refusal.

11.14 Termination of the Contract shall not relieve the Parties from liability for violation of their obligations under the Contract committed during its term.

## 12. Compliance with migration laws

All questions, concerning the application of legislation governing the entry into the territory of the Russian Federation, staying (accommodation), the implementation of labor, business and other activities on the territory of the Russian Federation and departure from the territory of the Russian Federation of the Contractor employees and (or) the third Parties involved by it, are subject to independent Contractor solution. VCS, under any circumstances, doesn't apply for a permit to engage and use the above mentioned foreign persons, doesn't apply for a permit to enter the Russian Federation for these persons, doesn't process and submit to the authorized government bodies other documents needed to comply by the Contractor, its employees, the third Parties involved by the latter with the requirements of the normative legal acts regulating the legal status of foreign citizens in the Russian Federation, their entry into the territory of the Russian Federation, staying (accommodation), the implementation of labor, business and other activities on the territory of the Russian Federation and departure from the territory of the Russian Federation. VCS is not responsible for the observance by the Contractor, its employees, third Parties involved by it of the requirements of the normative legal acts mentioned in the present paragraph.

### **13. Separate subdivision**

In accordance with the requirements of the tax legislation of the Russian Federation, the Contractor shall notify the tax authority on the establishment of a separate subdivision (a subdivision territorially separated from the organization, the location of which is equipped with permanent workplaces for more than one month).

### **14. Confidential information, non-disclosure obligations and protection**

14.1 Confidential information means information representing an actual or potential commercial value being unknown to third parties, not being in free access on a legal basis and for which the Parties take efforts to protect confidentiality of such information (commercial secrets) and other information not being a commercial secret in accordance with laws of the Russian Federation however designated by the relevant Party as confidential including information concerning software, data, systems, processes, methodologies, plans, specifications, know-how, ideas or other business, commercial or financial information without limitation.

All information relating to contractual relations between the Contractor and VCS (business and technical documentation, materials, calculations, prices, etc.) as well as information about activities of the Parties not being generally accessible and becoming known to the Parties as a result of execution or fulfillment of the relevant Contract between VCS and the Contractor (sales results, information from clients, technologies, knowledge, etc.) shall be deemed confidential.

The Contractor shall treat all business and technical documents, materials, information, data concerning the Contract executed with VCS and fulfillment thereof as commercial secrets.

14.2 Rights and duties of the Contractor which arose in connection with Contractor's processing Confidential Information of such categories as "Confidential/ vertraulich" and "Strictly confidential (trade secret)/Secret/Geheim" whose owner is VCS, shall be governed on the basis of GPC and Obligation to ensure security and confidentiality of information (the "Obligation") or Confidentiality Agreement entered into with VCS. A document type shall be determined by VCS.

The Obligation is uploaded on the Platform at Cooperation → Procurement conditions new → Volkswagen Group Rus → IT-Services Terms & Conditions.

By signing the Contract, the Contractor acknowledges that it is familiar with the Obligation, fully accepts its provisions, and will process received information in accordance with the prerequisites of the GPC and the said Obligation.

Before receiving Confidential Information of the "Strictly confidential (trade secret)/Secret/Geheim" category from VCS, the Contractor shall sign the Obligation and send a signed copy of the Obligation to VCS. Such copy shall become an integral part of the Contract from the Agreement's effective date and shall be executed as

an annex to the Contract in hard copy.

In the event of any discrepancies between the provisions of GPC and/or Contract and Appendices thereto, and the provisions of the Obligation or Confidentiality Agreement, the provisions of the Obligation or Confidentiality Agreement shall prevail.

VCS reserves the right to make amendments to the Obligation (hereinafter, the "Amendments"), at its own discretion, two (2) times a year at most (in February and/or July). In this case, VCS shall publish the revised Obligation in electronic form on the Platform and indicate the effective date thereof.

The Contractor will monitor the Amendments on the Platform on its own. If the Contractor has any objections to the Amendments made by VCS, the Contractor shall inform VCS thereof in writing within fifteen (15) calendar days after such Amendments were published on the Platform. The Parties agreed that, if no objections are received from the Contractor within the aforesaid time, it means the Contractor's acceptance of the Amendments and incurrance of its duty to perform its obligations under the Contract according to the requirements of the Obligation as worded by the Amendments. If the Contractor submits its objections to the amended wording of the Obligation within the above time period, the Obligation shall continue to apply in the wording effective before the Amendments rejected by the Contractor.

The provisions of this clause shall also apply when the Obligation is signed by the Contractor in hard copy as an individual annex to the Contract.

14.3 Unless otherwise provided for by the relevant Contract, the Contractor receiving confidential information from VCS, its employees, agents, third parties and representatives engaged by it shall not become the owner of such information, may not use it for any purposes other than for the proper performance of the Contract, may not independently authorize or restrict access to confidential information, disclose or provide the received confidential information to third parties, their employees, agents, subcontractors, either directly or indirectly, either orally or in writing, or in any other way without the prior written consent of VCS both within the term of the Contract and within five (5) years after its termination, unless such confidential information becomes publicly available and these non-disclosure obligations cease.

The Contractor receiving VCS's confidential information shall ensure that such confidential information be not disclosed by its employees, agents, third parties and representatives engaged by it within the above-mentioned period and that such confidential information be not used by such persons for any purposes other than for the proper performance of the Contract.

The Contractor shall have the right to provide access to such information to its employees to the minimum extent required for the purposes specified in the relevant Contract concluded with VCS, and provided that the Contractor receives a prior written confirmation from its employees that they have undertaken the confidentiality obligations regarding such information.

If confidential information is to be transferred to third parties (for example, service providers or suppliers) with the prior written consent of VCS, such third parties shall assume the obligation to maintain the confidentiality of the relevant information.

The exception is the disclosure of confidential information to the public authorities on the basis of the mandatory provisions of applicable laws; however, the Contractor disclosing such confidential information of VCS shall promptly notify VCS of the amount and date of delivery of such confidential information.

At the same time, VCS may transmit confidential information related to the contractual relations between the Parties (business and technical documentation, materials, calculations, prices, etc.), as well as information on the Parties' activities to companies belonging to the same group of companies as VCS without prior written consent of the Contractor.

14.4 The obligations to ensure security and confidentiality of VCS's information (including non-disclosure of VCS's confidential information) shall remain valid regardless of conclusion by the Parties of the Contract and shall apply to documents, materials, information and data received by the Contractor from VCS at the stage of request of proposals from the Contractor.

14.5 Transfer of confidential information does not entitle the Contractor to use, share, sell, disclose or otherwise use information (letters, reports, analytical data, research results, plans, layouts, specifications,

statistic data, sound and video images, etc.), products, components created, obtained, designed, manufactured on basis or by use of confidential information of VCS for the benefit of any third Party except VCS.

The term «transfer of confidential information» also means granting the Contractor access to an information resource of VW containing such information.

The contractor is obliged to observe data access procedures for the mentioned resource and the usage rules therefor established by VW.

14.6 The Contractor is entitled to make and keep copies of data carriers containing confidential information limiting the amount thereof to a minimum necessary for the fulfillment of its obligations.

By termination of the corresponding contract relations between VCS and the Contractor for any reason, after the aims of business collaboration have been achieved or if there is no further need in achieving the aims the Contractor undertakes to immediately without any additional requests destroy or return to VCS all originals and copies of any documents containing any confidential information, data carriers with confidential information contained therein, as well as block access and delete information, which is processed by the Contractor in electronic form.

14.7 Protection of confidential information is ensured by the Parties by taking measures for maintaining confidentiality of information, including by taking necessary organizational, legal and technical measures to protect confidential information against illegal or accidental access thereto, destruction, amendment, blocking, copying, dissemination and other illegal acts as well as by ensuring safety of confidential information by transferring and processing thereof.

The Parties determine measures for protection of confidential information by themselves, unless otherwise is stipulated in the relevant Contract. The Contractor shall observe the applicable VCS guidelines and requirements on information security when processing the information of VCS.

VCS reserves the right to control when necessary the handling and safekeeping of confidential information by the Contractor. VCS reserves the right to request information concerning measures implemented by the Contractor to protect confidential information.

If requested by VCS, but as frequently as once a quarter, the Contractor is obliged to enable inspection of the safety condition of confidential information transferred to the Contractor and measures taken by the Contractor to ensure its safety.

If the Contractor refuses to provide information about the protection measures in respect of confidential information or if the Contractor does not enable inspection of the safety conditions of the confidential information transferred to the Contractor or in case of insufficiency of the implemented measures, VCS is entitled to refuse the provision of confidential information and/or terminate the respective Contract.

14.8 Contractor also is obliged not to distribute documents, materials, information, data about the business dealings with VCS. If, as an exception, it is necessary to specify the business dealings with VCS in the Contractor advertising, it can be only done after the prior written VCS consent. In such cases this written consent is limited by the permission for that particular Contractor advertising set out to obtain the VCS consent.

## **15. Personal data processing**

15.1 The Parties are obliged to ensure the legitimacy of personal data processing which includes such acts with personal data as collection, recording, systematization, accumulation, storage, detailing (updating, amendment), extraction, use, disclosure (dissemination, provision, access), depersonalization, blocking, deletion, destruction. All personal data are considered as information with restricted access, in respect to which the Parties shall maintain confidentiality and ensure safety at processing thereof.

When processing personal data the Contractor shall take necessary legal, organizational and technical measures or arrange for the same in order to protect personal data against illegal or accidental access thereto, destruction, amendment, blocking, copying, disclosure, dissemination of personal data and other illegal acts with personal data.

15.2 When collecting personal data, including by means of the information-telecommunication network "Internet", the Contractor is obliged to ensure that recording, systematization, accumulation, storage, detailing (updating, amendment), extraction of personal data of the citizens of the Russian Federation are performed in data bases located on the territory of the Russian Federation, except in cases stipulated by law.

15.3 If the Contractor, *on the instructions of VCS*, processes personal data transferred by VCS and/or received (collected) by the Contractor by order of VCS for the purposes of providing services/performing works under the respective Contract, the Contractor undertakes to process such personal data solely for the purposes of providing services/performing works, as established by the respective Contract. The Contractor may not use personal data for its own purposes and is not entitled to transfer personal data to the third parties, except when it is necessary for the purpose of fulfilling their obligations to VCS.

For each separate case the purpose of personal data processing, the list of personal data and the list of allowed actions with personal data transferred to the Contractor by VCS and/or personal data processed by the Contractor by order of VCS is agreed by the Parties in writing in the respective Contract.

*In order to ensure security of personal data, the Contractor undertakes to comply with the requirements set forth in Article 19 of the Federal Law dated 27.07.2006, No 152-FZ, "On personal data", including the acts below:*

- to identify current threats against safety of personal data at processing thereof in information systems of personal data;
- to take organizational and technical efforts to ensure safety of personal data when processing thereof in information systems of personal data which are necessary to observe requirements to protection of personal data, implementation whereof ensures levels of protection of personal data as established by the Government of the Russian Federation;
- to apply information protection means duly assessed as to compliance;
- to assess efficiency of taken measures aimed to ensure safety of personal data before introduction of the information system of personal data into operation;
- to register used machine carriers of personal data;
- to find facts of unauthorized access to personal data and to take necessary measures to reduce damage from unauthorized access and to prevent further unauthorized access;
- to restore personal data modified or destroyed because of unauthorized access thereto;
- to establish rules of access to personal data processed in the information system of personal data and to ensure registration and keeping records of all steps taken with personal data in the information system of personal data;
- to control measures taken to ensure safety of personal data and level of protection of information systems of personal data;
- *to identify unauthorized access to personal data and to take steps, including the measures to detect, prevent, and rectify the effects of computer attacks on information systems of personal data and to react to computer incidents therein.*

*The Contractor shall represent, and at VCS's request, it shall confirm with documents the conformity of characteristics of the personal data information system to the requirements above, and the statutory requirements of the Russian Federation. The Contractor shall provide, at VCS's request, a confirmation of application of required organizational and technical measures to ensure security of personal data at processing thereof in the personal data information systems.*

*The representation and confirmation of the conformity by the Contractor may be undertaken on the basis of its own evidence or evidence obtained via engaged organizations which have required licenses, including appraisal of efficiency of measures implemented within the personal data protection system to ensure security of personal data which is undertaken at least once in 3 years.*

15.4 If the Contractor transfers personal data to VCS, the Contractor undertakes to ensure legitimate transfer of personal data to VCS. In particular, the Contractor guarantees and confirms that they will obtain a consent from the personal data subjects to the transfer of their personal data to VCS, and that the terms of such

consent will grant VCS the right to process personal data of those personal data subjects in compliance with the legislation of the Russian Federation, including, if necessary, transfer of personal data to the third parties with which VCS has concluded respective contracts. For example, when the Contractor transfers to VCS personal data of its employees who need access to VCS territories and facilities, the consent obtained by the Contractor from its employees shall allow VCS to process personal data of such employees in the scope enough for the declared purpose of processing, including the possibility to transfer personal data of such employees of the Contractor to private security companies with which VCS has concluded a contract for security services and access control.

The Contractor, at the request of VCS, shall confirm the latter that the personal data subjects whose personal data are transferred have been informed of the transfer of their personal data to VCS and of their forthcoming processing by way of giving their consent, among other things to such a transfer and processing, according to the form that allows confirmation of its receipt by the Contractor.

Upon collecting personal data by order of VCS, the consent of the personal data subject to their processing shall be documented by the Contractor using the form agreed upon with VCS in writing.

15.5 At the request of VCS, the Contractor shall update, block, and destroy personal data that have been transferred to the Contractor, within the time period specified in such VCS's request, which shall anyway not exceed the time period established by Russian laws on personal data.

The contractor undertakes to eliminate personal data received from VCS from any medium type (including all partial or complete copies of the indicated data) on completion of the work / services or in case of cancellation (termination) of the respective Contract for any reason, within the time frame specified by laws of the Russian Federation, and undertakes to confirm in writing the fulfillment of the present paragraph conditions in case of the appropriate request receiving from VCS.

15.6 The Contractor is obliged to compensate to VCS any losses and expenses borne by the latter as a result of violation by the Contractor of confidentiality of personal data disclosed to it or safety of personal data at processing thereof by the Contractor.

## **16. VCS requirements for information systems and IT components**

The Contractor shall comply with the VCS's technical and organizational requirements for information systems and IT components supplied to and used by VCS. When information systems and IT components are a part of the materials supplied by the Contractor and/or are created/used in the course of the services and/or works that have not been agreed upon in writing when concluding the contract, the Contractor, prior to such supply and/or commencement of services/works, shall notify in writing by email the VCS contact person under the contract of that, and shall agree with VCS IT Department on the list of information systems and/or IT components.

VCS includes the following in IT components: software and licenses to it, servers and server components, PCs, mobile devices, peripheral devices, connection facilities, printing devices, external data storage units, network facilities, data transfer cables, uninterrupted power supply units, video and audio equipment.

Lists of equipment confirmed by VW are available at the Platform: section Cooperation - Procurement Conditions – Volkswagen Group Rus – IT-Services Terms & Conditions – Produktkatalog.

## **17. Settlement of disputes**

17.1 All disputes and differences, which may arise between the Parties on unsettled questions in the Contract text, shall be settled by negotiations, as well as in extrajudicial (pre-trial) dispute resolution.

The complaint should be sent by mailing address of the Party, specified in the respective Contract, by advice-of-receipt post. In the absence of the Party which the complaint is sent to, at appropriate address, the complaint is considered received by the party after 10 (ten) working days from the date of the complaint sending.

The party receiving the complaint, is obliged to send a written response to it to the other Party within 10 (ten) working days from the complaint receipt.

If the Party sending the complaint doesn't receive the response to it within 30 (thirty) working days from the date of the complaint sending, the pre-trial dispute resolution is considered maintained.

17.2 In the case of controversial issues unsettled in the process of negotiations, the disputes are settled in the Arbitration Court at the location of VCS.

## 18. Other Provisions

18.1 Any changes or additions to the Contract (estimates, attachments, supplementary agreements and etc.) are valid only if made in writing form and signed by the Parties or duly by authorized persons, sealed by the Parties. Powers of representatives of the Parties shall be supported by the corresponding powers of attorney issued in accordance with the legal requirements. Call-Offs made by VCS and sent to the Contractor in accordance with the terms of the Contract are valid and subject to execution by the Contractor if they are received by the Contractor via electronic communication channels (by e-mail) from an e-mail address with a domain name: volkswagen.ru, volkswagen-rus.ru, audi.ru, skoda-avto.ru, vwgroup.ru, bentley.co.uk, lamborghini.com, ducati.ru. In this case, the delivery notification generated by the program for handling e-mail shall be deemed a confirmation of receipt of the Call-Off by the Contractor.

18.2 Upon the Contract signature, any other possible Parties arrangements entered in the previous correspondence and in the documents accepted earlier, as well as the results of negotiations conducted earlier on the subject regulated by the Contract, become inoperative.

18.3 The Parties confirm that they conclude and sign the Contracts not due to concurrence of difficult circumstances under extremely disadvantageous conditions, and these Contracts are not onerous transactions for them.

18.4 All letters, appeals, applications, complaints, notices, advices under the Contract shall be made in writing, signed by the Parties or duly authorized persons, sealed by the Parties (if applicable) and sent by registered mail with a return receipt requested, or by courier express mail with a return receipt requested to the address specified in the section listing the Parties' addresses and details.

The indicated letters, appeals, applications, complaints, notices, advices shall be considered received by the other Party at the time of receipt of the indicated documents by the addressee, as confirmed by the corresponding notification of receipt (delivery) of the correspondence.

18.5 In case of any issues arising during performance of the Contract, related to payments and delivery of primary and other accounting documentation, the Contractor shall directly contact the customer for the corresponding goods/work/service at:

VOLKSWAGEN CS OOO

1, Avtomobilnaya St., Kaluga, 248926

Tel.: +7 4842 711-011

18.6 In the event of any changes in the information specified in the section of the Contract containing the addresses and details of the Parties, the Party to the Contract shall notify the other Party about it by sending an electronic image (scan) of the corresponding notice by e-mail, written on the sending Party letterhead and sealed by its seal and signed by its authorized representative within 7 (seven) working days (in case of a five-day working week) from the date of such changes. In the case of non-compliance with this condition, all correspondence sent and all payments made to the address valid before such changes has occurred, shall be deemed duly made.

## 19. Code of Conduct for Business Partners. Anti-Corruption Clause

One of the major conditions for the sustainable success of collaboration between VW and its Contractors is the stable values, honest and irreproachable behavior, adherence to the adopted norms and regulations, which promotes the daily strengthening of confidence in VW, its partners and products. In this connection, when performing the activities under the Contract, when making any and all business decisions, the Parties take into account the legal requirements, as well as the rules and norms of conduct adopted in VW.

Bearing in mind that, for the purposes of this Article, an **Official** means

- (a) any official, any employee, director or any other person acting as an official representative on behalf of any Russian or foreign state or municipal body (including on behalf of the government (federal or local), any ministry, department, agency, President, President's administration, as well as any court) or public international organization;
- (b) any candidate for political office;
- (c) any official, any employee or any person acting in the capacity of an official representative of any political party or any candidate for political office;
- (d) a person performing administrative functions in a business or other entity, including, but not limited to the following: (general) director, member of the board of directors, members of a collegial executive body, as well as other persons performing organization and management or administrative and business functions based on an order or a power of attorney.

19.1 The Contractor confirms and acknowledges that the Contractor has reviewed and carefully studied the Sustainable Development Requirements of Volkswagen Group and VCS to Business Partners (hereinafter the "Code of Conduct for Business Partners"). The above-mentioned Code of Conduct for Business Partners is available in the electronic format at the Platform (Cooperation – Sustainability – Sustainability Requirements towards Business Partners – Code of Conduct for Business Partners Volkswagen Group RUS) and is included in the relevant Contract by force of the reference in this Clause of GC to its text. Code of Conduct for Business Partners gets renewed by Volkswagen Group and VCS when the need arises reflecting actual requirements towards Business Partners. When performing the Contracts, the Contractor undertakes to monitor possible changes included by Volkswagen Group and VCS in the Code of Conduct for Business Partners monthly (not later than 5th day of each month) and to follow the provisions of the Code of Conduct for Business Partners in its most actual version. In some cases, VCS may, on its own initiative, notify the Contractor of changes to the Code of Conduct for Business Partners, and such changes will be binding on the Contractor from the moment it receives notification from VCS. Moreover, the Contractor represents and warrants that, within 1 (one) month after conclusion of the Contract between the Parties and hereinafter within 1 (one) month from the date of making changes to the Code of Conduct for Business Partners, the Contractor will make the Contractor's employees, its business partners, representatives and other persons, acting for and on behalf of the Contractor in connection with the contracts entered into between the Parties, familiar with the provisions of the Code of Conduct for Business Parties in its most actual version, and notify them of the necessity to follow its requirements, take into account and apply the principles set forth in it.

19.2. The Contractor undertakes to comply with all applicable legal regulations, in particular including the current anti-corruption laws, anti-money laundering laws, export control laws, personal data protection laws, and anti-monopoly laws. Its Officials and other employees are responsible for complying with the current laws, in particular, in the above spheres. For this, the Contractor shall apply adequate risk-based processes and control procedures (controls). The Contractor shall bring this requirement to the attention of its affiliates, shareholders, members, Officials and employees.

19.3. The Parties hereby represent and warrant to each other that they pursue a zero-tolerance policy towards all occurrences of corruption. The "zero-tolerance" means a prohibition of any corrupt practices, development and implementation of measures to reveal and prevent corrupt practices in accordance with the current anti-corruption laws of the Russian Federation and international laws applicable (recognized and enforced) in the Russian Federation.

19.4. The Contractor hereby represents, warrants and assures that, in relation to any activities connected with the conclusion and fulfillment of the Contracts between the Parties and/or transactions provided for in them / based on them, at any time in the past, present and future (to the extent applicable in each given case), neither the Contractor, nor the Contractor's Affiliates, nor any of its or their shareholders, members, Officials or employees, nor any other private or legal entities acting on behalf of any of them:

19.4.1. have violated or will violate the laws (including, but not limited to the laws of the Russian Federation), or have performed or will perform any actions, and have ignored or will ignore the performance of any actions, the performance or disregard of which would be a violation of the laws of the Russian Federation, in particular the Federal Law No. 273-FZ dated December 25, 2008 "On Combating Corruption" (hereinafter the "Anti-Corruption Law");

19.4.2. have offered/promised or will offer/promise to make any payments, provide any loans, monetary gifts or other valuables or property, as well as property rights, or perform any actions or refrain from performing certain actions, or have authorized or will authorize, either directly or indirectly, such offers or promises to any Official or in favor of any Officials or any other persons for the achievement of any of the following goals:

- i. influencing the actions or decisions of such Official, performed or adopted by him/her as part of his/her official duties;
- ii. inducing such Official to perform or refrain from performing any actions in violation of his/her official duties;
- iii. inducing such Official to use his/her influence with any state body / local authority, any public international organization or political party in order to ensure the performance of any action or adoption of any decision by such body, organization or party;
- iv. ensuring the receipt of an improper advantage to assist VW or the Contractor in connection with any activity relating to the Contract entered into between the Parties; or
- v. another illegal goal.

19.4.3. have paid or will pay to VW employees (including Officials), their affiliates or close relatives any commission fees, compensation, repayments of a portion of the received funds, or have provided or will provide them with any discounts (apart from discounts for all or a group of VW employees (including Officials), its affiliates or their close relatives (the Contractor must notify VW of all discount programs arranged for the employees of VW, its affiliates or their close relatives and, before such programs commence, obtain the approval of them as being appropriate from VCS), or have offered or will offer any gifts with the value in excess of RUB 3,000 to the above persons;

19.4.4. will seek, demand, receive, give consent to the illegal receipt of any payments, loans, monetary gifts or other valuables or property, as well as property rights from any persons for the performance of any illegal actions and/or inaction in the interests of the Contractor or VW;

19.4.5. will mediate in any bribery or peddling of interest (including, but not limited to) by assistance in achieving an agreement between the bribegiver and the bribetaker or by giving a bribe (amount of the peddling of interest) at the bribegiver's request or receiving the bribe at the bribetaker's request;

19.4.6. are deemed an Official within the meaning of items (a), (b) and (c) of the first paragraph of this Article 19, or a close relative of such Official, or an Official, investor, shareholder or another direct or indirect participant of a business, joint venture, partnership or company of any Official defined in items (a), (b) and (c) of the first paragraph of this Article 19, and no part or amount of any payment that have been or will be received by the Contractor under any Contract entered into by the Parties or in connection with it will be paid to such close relative or affiliate or in their favor in order to gain an illegal advantage in connection with any activities relating to the Contract entered into by the Parties;

19.4.7. have used or will use the amounts of any payments received under the Contract entered into by the Parties in violation of the provisions of this Article 19 of the GPC.

19.5. The Contractor confirms the use of a system of adequate internal control, meeting the business practice standards for building efficient compliance programs in the Russian Federation, as well as the requirements of the laws of the Russian Federation (Article 13.3 of the Anti-Corruption Law), and proper accounting and reporting on all transactions and payments to the Contractor and expenses of the Contractor in connection with the Contract concluded between the Parties in accordance with the laws of the Russian Federation. The Contractor hereby confirms that VW may rely on the Contractor's internal control system, as a minimum including the following expectations of VW:

19.5.1. The Contractor will take reasonable and necessary steps to ensure that its Officials and employees report on any incidents of illegal behavior or threats of violation of contractual terms (e.g., by interaction with a person responsible for the fulfillment of compliance control obligations within his/her entity (as per the definition of Subclause 1 of Clause 2 of Article 13.3 of the Anti-Corruption Law), and use other communication channels indicated in Clause 2 of Article 13.3 of the Anti-Corruption Law, created by the Contractor, in particular, to ensure the possibility of safe and anonymous reporting of any violations and reasonable suspicions. The Contractor is aware of the violation reporting system in place in VCS and may recommend that the Officials and employees of its entity use the system to report the possible compliance regulation violations by VCS employees.

19.5.2. If the Contractor appoints a person in charge of fulfillment of the obligations in its entity (as per the definition in Subclause 1 of Clause 2 of Article 13.3 of the Anti-Corruption Law), the Contractor will provide the relevant information to VCS.

19.5.3. The Contractor supports the actions of VCS to ensure an efficient compliance control system.

19.6. In order to counter and prevent any possible unlawful actions, the Parties shall cooperate with each other in accordance with the requirements and restrictions of the current laws of the Russian Federation by providing each other with the requested explanations regarding the actions that are or have been performed by the Party under the Contract entered into between the Parties in furtherance of the policy as per Clauses 19.2 and 19.3 of this Article 19. If either Party has reasonable suspicions that any provision of this article was or may be violated, the Party having such suspicion shall immediately give a written notice thereof to the other Party.

19.7. In case of violation of warranties and representations set forth in this article, the Contractor undertakes to compensate VW for any and all losses incurred in connection with such violation by the Contractor. The Parties agree that compliance with the assurances, warranties and obligations listed in this Article 19 is an essential condition of any Contract concluded between the Parties, and if any of the Parties fails to fulfill it, the other Party shall have the right to repudiate the Contract concluded between the Parties unilaterally and out of court.

19.8 The Contractor agrees that, if the Contractor undergoes a change of corporate control (i.e., an alteration of the structure of owners (shareholders, members, etc.) and/or the structure of the top management of the Contractor), the Contractor will promptly notify VCS of the fact in writing and provide VCS with any and all necessary explanations on the relevant circumstances, including information on the composition of the new owners. If the above changes in the Contractor's corporate control or management structure apply or are attributed to the Official (as per description in Subclauses (a), (b) and (c) of the first paragraph of this Article 19) or an affiliate of such Official, VCS is to be notified immediately.

The replacement or change of control over the Contractor with the participation of any Official of the Russian Federation (in accordance with Subclauses (a), (b) and (c) of the first paragraph of Article 19) or an affiliate of such Official of the Russian Federation or any other change of control over the Contractor, following which there is a risk that the interests of VW would be substantially endangered, will be considered a material

violation of the Contract on behalf of the Contractor. The occurrence of such circumstances may be inferred, among other things, in cases when there is a competitor of any VW company among the Contractor's members or if the change / modification of control over the Contractor results in the inclusion of persons, with respect to whom there is reliable information of their illegal activities (e.g., cases of corruption, peddling of interest, money laundering, fraud, etc.), in the composition of the shareholders or controlling persons.

At that, VCS may immediately repudiate the Contract entered into by the Parties pursuant to Clause 11.12 of the GPC, if after receiving the Contractor's notice as per the first paragraph of Clause 19.8 of this Article 19, as a result of such change of control of the Contractor or the contents of any representations, guarantees or promises contained in this Article 19, a violation of the laws of the Russian Federation happens or may be reasonably expected to happen, or if VCS determines that deceit or misinformation of VCS have taken place at the conclusion and/or performance of the Contract (before making the respective decision, VCS will give the Contractor an opportunity to explain the completed changes of control or circumstances, having resulted in the invalidity of the representations, guarantees or promises or the suspicions of deceit or misinformation).

## **20. Substances preventing the paint coating**

Any kind of the Contractor services, works and supplies should be free from substances preventing VCS products paint coating, and should not inject such substances into the atmosphere.

## **21. Warranties and Representations**

Sending commercial offers to VCS and /or concluding each Contract with VCS and additional agreements to concluded Contracts with VCS the Contractor provides VCS with the following assurances and guaranties that are an essential part of concluded Contract with VCS and an authenticity of such assurances and guaranties are essential for VCS as VCS relies on them while concluding, execution or termination of the Contract.

### *21.1 Legal status*

The Contractor is an entity / individual entrepreneur, duly established / registered and validly existing in accordance to applicable law of state of registration of the Contractor, is entitled to possess own assets and handle commercial activity in form as it is handled at present and also has legal capacity to act as a plaintiff and to defend suits at its own name.

### *21.2 Rights and authority*

The Contractor has all rights and authorities to conclude, sign and execute the Contract; has all licenses, permits, and certificates required to fulfill its obligations under the Contract; has got all necessary permissions to conclude and execute Contract in order prescribed by applicable law and its organizational and internal documents, including permissions of the Contract as major transaction.

Person signed on behalf of the Contractor the Contract and /or any documentations, provided by VCS as stipulated by conditions of concluded Contract, is duly authorized representative of the Contractor and has actual powers to sign Contract and /or similar documents, including but not limited on the basis of actual power of attorney, that has not been recalled.

### *21.3 Legitimacy and validity*

Concluded with VCS Contract is legal, actual obligation of the Contractor that has obligatory power and subject to compulsory execution. All consents, assumptions or licenses of any state authorities, agencies or institutions, that are necessary for conclusion of the Contract, its legality and compulsory execution, have been received and have legal force.

### *21.4 Adequacy of information*

As the Contractor knows all information about its commercial activity and state of business provided to VCS in written form within the process of Contract conclusion is adequate and true in all essential issues. There are no essential facts or situations, suppression of which can lead to essential distortion such information.

### 21.5 *Legal proceedings*

As far as the Contractor knows, there are no lawsuits or administrative proceedings in any court or authority, which could reasonably lead to material adverse effect for the Contractor's capability to perform its obligations under the Contract.

### 21.6 Conclusion and performance by the Contractor of the Contract does not contradict:

- the laws applicable to the relationships between the Parties;
- its organizational and other internal documents;
- any decisions of its governing bodies; and
- any other documents or agreements binding for it.

### 21.7 *Non-resident's income from activities under the Contract*

The Contractor, which is a non-resident in accordance with the laws of the Russian Federation on currency regulation and currency control, has the actual right to receive income from activities under the Contract (hereinafter the "Income"); its authorities to manage the Income are not limited; it does not perform any intermediary functions with respect to the Income in favor of third parties and does not assume any risks by directly or indirectly transferring the Income to third parties who, if the Income was received directly, would have the right to benefits or preferences specified in the international treaties of the Russian Federation on the avoidance of double taxation applicable to such persons.

## **22. Electronic Document Flow**

At the request of VCS, the Parties shall effect the document flow in the electronic format when they sign and execute any Contracts concluded between them and other documents that the Parties may exchange in the course of business collaboration under the Contracts concluded. If the Contractor refuses to fulfill the above requirement, VCS is entitled to suspend the fulfillment of its obligations under the Contract by sending the Contractor an appropriate notification in the manner prescribed in Clause 18.4 of the GPC. VCS shall not be held liable for the failure to fulfill its obligations under the Contract during the period between the suspension of the fulfillment of obligations under the Contract and the fulfillment by the Contractor of VCS's requests specified in this clause of the GPC.

At that, if the document flow under Contracts is in the electronic format, the Parties will be governed by the following rules:

22.1. The electronic document flow under the Contracts is effected by the Parties using an enhanced qualified electronic signature (hereinafter the "QES") and the entity's electronic document flow system that ensures the exchange of open and confidential information via telecommunication channels (electronic document flow operator) in accordance with the current laws of the Russian Federation.

22.2. The Parties confirm the technological feasibility of effecting the document flow in the electronic format using the QES. The technological feasibility shall mean the availability of the respective hardware, software and QES key certificates to all participants of the document flow.

22.3. Unless otherwise agreed by the Parties and provided for by the respective Contract, any documents under Contracts, including Contracts themselves, will be drawn and signed by the Parties using the QES, including (but not limited to): any Contracts, appendices and addenda to any Contracts, primary documents made by Parties to the Contracts, including, but not limited to the following: IDN (integrated delivery note functioning as an invoice and delivery note), bill for payment, notice and other documents.

When exchanging electronic documents, the Parties use document formats approved by the laws of the Russian Federation:

- Unified Transfer Documents, VAT invoice (in XML format), adjusted VAT invoice, corrective VAT invoice (Unified Corrective Document (UCD), approved by the Order of the Federal Tax Service of Russia No. MMB-7-15/820@ dated December 19, 2018 "On approval of the VAT invoice format and format of submission of a goods (works, services, property rights) transfer (deliver) document, including a VAT invoice, in electronic form");

- Service Acceptance Certificate (in XML format, approved by the Order of the Federal Tax Service of Russia No. MMB-7-15/820@ dated December 19, 2018 "On approval of the VAT invoice format and format of submission of a goods (works, services, property rights) transfer (deliver) document, including a VAT invoice, in electronic form");

If the document formats have not been approved, the Parties will use the document formats agreed upon by them:

- Invoice (in format of PDF, XLSX, etc.);
- Certificates in the form of KS-2, KS-3.

22.4. The Counterparty shall issue documents and send them to VCS as a single package (universal transfer document, invoice, and other documents) via the electronic document management operator. The Counterparty shall issue documents and send them to VCS as a single package relating to the same shipment under supply and service contracts.

Enter the following information in the field <Иные сведения> in a formalized document (XML):

PO and subdivision code according to the mask in the element <ИнфПолФХЖ1> <ТекстИнф Идентиф="Заказ" Значен="4XXXXXXXXXX"/> <ТекстИнф Идентиф="Код" Значен="XXXXXXXXXX"/> </ИнфПолФХЖ1>.

Specify <Код> with a capital letter as the digital subdivision code <XXXXXXXXXX> to be emailed by the employee in charge from VCS, and also specify <Заказ> with a capital letter (PO) received earlier by email (or other channels) from representatives of VCS. If the Counterparty issues UTD for several orders, list all the POs for which the UTD is issued in the field <Иные сведения>.

In case of failure to meet the requirements of clause 22.4 of XML File GPC, VCS has the right to reject the signing of this document and delay the payment until the document meets the requirements of clause 22.4 of GPC.

22.5. The Parties acknowledge the QES to be an analog of a handwritten signature (equivalent to a handwritten signature on a hard-copy document). The Parties acknowledge that documents signed using the QES have equal legal force with the respective hard-copy documents, are valid as written evidence in the courts of the Russian Federation, foreign courts, international and arbitration courts, when submitted to state authorities of the Russian Federation;

22.6. If a QES key of VCS and/or the Contractor is lost or compromised, or the power of an employee or another authorized representative of VCS and/or the Contractor to sign documents using the QES are terminated, including prematurely (including, but not limited to cases of dismissal, transfer to another position, suspension (including temporary) from the position occupied, vacation, medical leave, absence on other grounds; expiration or cancellation of the employment contract with the above person authorized to hold the QES of VCS and/or the Contractor; expiration of the power of attorney, withdrawal of the power of attorney of such person, and also other grounds that allow establishing the termination or absence of powers of a person authorized to hold the QES of VCS and/or the Contractor), VCS or the Contractor, respectively, will promptly, but in any case no later than the following calendar day, notify the other Party of the fact in writing (immediate notification by e-mail with the simultaneous dispatch of a written notice is permitted). If VCS or the Contractor receives documents signed using such QES of VCS or the Contractor before the above-mentioned notice, such documents are considered proper documents of VCS or the Contractor; at that, all risks, losses and other adverse consequences related to the loss or compromise of a QES key of VCS or the Contractor, as well as termination of the powers of a VCS or Contractor employee to sign documents using the QES, as stipulated above, shall be borne by VCS or the Contractor, respectively, until the other Party is notified of the fact.

22.7. If it is necessary to confirm the signing by the Parties, using the QES, of documents on relations with third parties, including, but not limited to state authorities, including judicial, notarial and other bodies that might need to be approached in connection with the fulfilment of the Contract terms and conditions, in order to secure the rights and legal interests of VCS and/or the Contractor, then VCS and/or the Contractor may use a copy of the respective document signed using the QES, printed out and certified with a signature of an authorized representative of VCS and/or the Contractor and the seal of VCS and/or the Contractor (if any), respectively. The Parties acknowledge the certification of such copy by an authorized representative of VCS and/or the Contractor, respectively, as proper and sufficient for the above purposes.

22.8. At the request of the respective Party, justified by an inquiry of one of the third parties listed in Clause 22.7 of the GPC, the other Party will provide the requesting Party with a copy of the respective document signed using the QES, printed out and certified by a signature of an authorized representative of the providing Party and its seal (if any).

22.9. The Parties confirm their consent that, if any of the third parties listed in Clause 22.7 of the GPC needs to examine a document signed using the QES, the respective Party may provide such document on any electronic medium. The Parties recognize such method of informing as a proper one.

22.10. The Parties must notify each other via the telephone and/or using the e-mails of contact persons in the accounting department or relevant division of the impossibility of exchange of e-documents signed using the QES within one (1) business day, if there is a technical malfunction of the Party's internal systems. In this case, during the period of such malfunction, the Parties shall exchange hard-copy documents signed with a handwritten signature.