

General terms and conditions for supplying Volkswagen Genuine Parts® and Audi Genuine Parts®, hereinafter referred to as genuine parts, to the Volkswagen Group

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The applicable documents of the Volkswagen Group companies including the "General terms and conditions for purchase of production materials" of Volkswagen AG and AUDI AG apply as a general rule to all suppliers to the Volkswagen Group. Furthermore, the supplier undertakes to ensure the supply of genuine parts to the Volkswagen Group companies, in respect of the parts supplied by it, in compliance with the following terms and conditions for the supply of genuine parts to the Volkswagen Group.

1. Governing conditions

1.1 The legal relationships between the Volkswagen Group companies and the supplier in respect of genuine parts shall be governed by these terms and conditions and any other written agreements, including amendments and supplements. In addition, the terms and conditions governing the use of special production equipment of VOLKSWAGEN AG and AUDI AG shall apply in relation to the use of special production equipment.

1.2 The supplier's general terms and conditions shall not apply, even if not explicitly rejected in any individual case.

1.3 The contractual bases are, in the following order of priority, the supply contract concluded with the supplier including the applicable documents in each case, and these general terms and conditions for supplying Volkswagen Genuine Parts® and Audi Genuine Parts® to the Volkswagen Group, hereinafter referred to as genuine parts.

1.4 Compliance with all regulations stipulated below must be ensured by the supplier in an appropriate manner, also within the supplier's own supply chain.

2. Preemptive right and manufacturing

2.1 The Volkswagen Group companies reserve the right to source genuine parts of systems/power units/components/modules/assemblies directly from the up-stream supplier. The supplier is obliged to inform the Volkswagen Group companies on request about the individual parts of the systems/power units/components/modules/assemblies and the up-stream suppliers.

2.2 Insofar as Volkswagen Group companies develop parts themselves or pay the supplier's development costs or insofar as the supplier manufactures parts itself with the aid of special production equipment provided by the Volkswagen Group, the responsible Volkswagen Group companies must consent to the manufacturing of genuine parts for supplying third parties in writing beforehand.

2.3 The supplier is prohibited from infringing the property rights of Volkswagen Group companies (e.g. brands, designs, patents etc.) or from using such rights without the prior written consent of the Volkswagen Group companies or to an extent not expressly agreed with the Volkswagen Group companies; in particular, the supplier shall not, without the prior written consent of the Volkswagen Group companies, manufacture genuine parts for the purpose of supplying third parties or distribute genuine parts to third parties if property rights are held in such parts by the Volkswagen Group companies.

The supplier is obliged to pay a contractual penalty to the Volkswagen Group companies for each infringement of this prohibition, unless it is not responsible for the violation. The amount of the contractual penalty shall be determined on a fair and equitable basis by the Volkswagen Group companies. The adequacy of the penalty amount may be reviewed by the competent court in case of dispute. Further claims and rights of the Volkswagen Group companies remain unaffected. Any forfeited contractual penalty shall be offset against any claims for damages.

2.4 The supplier shall use special production equipment to manufacture the genuine parts unless otherwise agreed. Insofar as the supplier sources components of genuine parts from third parties, it shall oblige such third parties accordingly.

3. Identification obligation

The supplier undertakes to identify genuine parts in accordance with the drawing specifications and technical delivery conditions. The corresponding brands/logos of the respective Volkswagen Group companies shall be visibly attached to all genuine parts in accordance with specifications. The supplier shall comply with the contractually agreed requirements for certification and legal markings at no extra cost and shall prove such compliance upon request.

4. Supply period

4.1 The supplier must ensure the supply of genuine parts during series production and for a period of 15 years following the end of series production (EOP), even if there is no active order from the Volkswagen Group companies.

4.2 If special measures have to be taken during this period to maintain the storage and supply capability for the component (e.g. current flow), these measures must be managed and carried out independently by the supplier. Costs are included in the price of the part.

4.3 In relation to the supply period according to 4.1., the supplier must ensure compliance with the quality requirements agreed for series production. The supply of genuine parts to the Volkswagen Group companies may only commence following sampling or other approval by the quality assurance department of the Volkswagen Group companies. The supplier is obliged, in particular, even beyond the EOP, to continue to only produce parts using the production equipment and resources approved by the Volkswagen Group companies. Relocation of production equipment and resources requires the written consent of the Volkswagen Group companies, which can be made conditional upon compliance with the site relocation processes stipulated for this purpose by the Volkswagen Group companies (available at www.vwgroupsupply.com). Any change of use or scrapping of production equipment and resources for specific parts is only permitted with the written consent of the Volkswagen Group companies, regardless of ownership.

4.4 The supplier shall offer the Volkswagen Group companies a final production (last order) in writing in good time prior to expiry of the supply period according to 4.1. The scope and time of the call-off for the last order shall be determined by the Volkswagen Group companies.

5. Pricing

5.1 During ongoing series production, genuine parts are to be delivered for the same price as serial parts. Price reductions agreed for serial parts also apply to identical genuine parts.

5.2. Following delivery of the last component for series production (EOP) at a Volkswagen Group company, but for at least three (3) years, beginning on 1 January of the following year, the last price paid (maximum) for a component in series production will apply to genuine part deliveries,

less cost components distributed over the period of series production, provided no separate agreement was concluded.

5.3 Any extra costs for individual packaging must be listed separately by the supplier. A separate agreement is required for reimbursement.

5.4 With regard to modules/assemblies that are taken apart to supply genuine parts, the total price for the individual genuine parts must not exceed the serial price for the modules/assemblies, and the assembly costs must be deducted. Offers for individual serial components must be checked for plausibility by the supplier through sufficient detailing of the modules/assemblies (Cost Break Downs, CBD). The costing assumptions valid for the basic project apply to genuine part-specific value-added stages. Price reductions that are determined for a serial module/assembly also apply to the genuine part prices for the individual serial components.

5.5 At the request of the Volkswagen Group companies, the supplier is obliged to indicate and substantiate every commercial claim in detail in the form of the VW Group CBD. This also applies to all individual components of a module/assembly. The final valid serial cost breakdown must be provided at the behest of the respective Volkswagen Group company. If the supplier does not fulfil the requirement of the respective Volkswagen Group company, the respective Volkswagen Group company is entitled to reject the commercial claim. In principle, the same costing assumptions (e.g. overhead rates) apply to genuine parts as to the associated series production project.

6. Packaging and transportation

6.1 The supplier or its subcontractor coordinates the parts supply processes (delivery call-off, shipping method, packaging etc.) with the responsible department on behalf of the Volkswagen Group company.

6.2 At the request of and in agreement with the Volkswagen Group companies, the genuine parts shall be supplied in special individual genuine part packaging.

6.3 The supplier ensures in principle that only recyclable packaging material is used, which does not violate any environmental protection regulations.

6.4 The agreed logistics cost specifications apply (available at www.vwgroupsupply.com). The packaging specifications for specific product groups shall be applied.

7. Warranty and liability

7.1 Warranty and liability for genuine parts shall be governed by the relevant supply contract including the applicable documents in each case and the "General terms and conditions for purchase of production materials" of Volkswagen AG and AUDI AG as well as the statutory requirements.

7.2 The supplier shall also be liable in the event of default and within the scope of its causal contribution for the costs that arise if vehicles cannot be used due to the lack of genuine parts.

7.3 Subject to any statutory or contractual rights of retention, the supplier's obligations shall continue to exist without restriction even in the event of ongoing negotiations, in particular for the contractual supply of the respective Volkswagen Group company. If the supplier does not fulfil this obligation, it shall be obliged to reimburse the Volkswagen Group companies for all costs, expenses and damages including lost profits incurred as a result.

8. Obligation to share information

The supplier shall inform the Volkswagen Group companies without undue delay of any circumstances that might jeopardise the proper supply of genuine parts during the specified supply period according to 4.1 and shall offer appropriate measures for elimination if necessary.

9. Modification of components

9.1 Where modifications are made to approved components during the supply period according to 4.1, retroactive interchangeability must be assured. Should this not be possible for technical reasons, continued availability of genuine parts in their original state must be ensured.

9.2 All costs arising on the part of both contractual partners in relation to modifications for which the supplier is responsible shall be borne fully by the supplier. Approval processes must be observed.

10. Drop shipment deliveries and logistics strategy

10.1 The supplier undertakes in the context of drop shipment deliveries to supply all third parties specified by name by the Volkswagen Group companies and shall optimise the supply streams on the specified dates.

10.2 Costs incurred in connection with the storage of a last order or interim stockpiling at the request of the supplier shall be borne by the supplier. This also applies to specific storage requirements due to best-before dates.

10.3 A dual numeric system must be provided at no extra cost within the Volkswagen Group companies.

11. General conditions

In all other respects, the "General terms and conditions for purchase of production materials" of Volkswagen AG and AUDI AG as amended apply accordingly.