

General terms and conditions for supplying Volkswagen Genuine Parts® and Audi Genuine Parts® to Audi FAW NEV Company Ltd. and the Logistic Service Provider of Audi FAW NEV Company Ltd.

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The applicable documents of Audi FAW NEV Company Ltd. (hereinafter referred to as “NEV Co.”) including the "Terms of Purchase for Production Material " of NEV Co. apply as a general rule to all suppliers to NEV Co. Furthermore, the supplier undertakes to ensure the supply of Volkswagen Genuine Parts® and Audi Genuine Parts® (hereinafter referred to as “genuine parts”) to NEV Co. and/or the Logistic Service Provider of NEV Co. as designated by NEV Co. (hereinafter referred to “LSP”), in respect of the parts supplied by it, in compliance with the following terms and conditions for the supply of genuine parts to NEV Co and/or the LSP (the “purchaser”).

1. Governing conditions

1.1 The legal relationships between NEV Co., the LSP, 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.

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 genuine parts to NEV Co. and the LSP.

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 NEV Co. reserves 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 NEV Co. on request about the individual parts of the systems/power units/components/modules/assemblies and the up-stream suppliers.

2.2 Insofar as NEV Co. develops parts itself or pay the supplier’s development costs or insofar as the supplier manufactures parts itself with the aid of special production equipment provided by NEV Co., NEV Co.’s consent to the manufacturing of genuine parts for supplying third parties in writing must be obtained beforehand.

2.3 The supplier is prohibited from infringing the property rights of NEV Co. (e.g. brands, designs, patents etc.) or from using such rights without the prior written consent of NEV Co. or to an extent not expressly agreed with NEV Co.; in particular, the supplier shall not, without the prior written consent of NEV Co., manufacture genuine parts for the purpose of supplying third parties or distribute genuine parts to third parties (except LSP) if property rights are held in such parts by NEV Co. The supplier is obliged to pay a contractual penalty to NEV Co. and/or LSP 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 NEV Co. and/or LSP. The adequacy of the penalty amount may be reviewed by the competent court in case of dispute. Further claims and rights of NEV Co. and/or LSP 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 NEV Co. 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 NEV Co or the LSP.

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 purchaser may only commence following sampling or other approval by the quality assurance department of NEV Co. The supplier is obliged, in particular, even beyond the EOP, to continue to only produce parts using the production equipment and resources approved by NEV Co. Relocation of production equipment and resources requires the written consent of NEV Co., which can be made conditional upon compliance with the site relocation processes stipulated for this purpose by NEV Co. Any change of use or scrapping of production equipment and resources for specific parts is only permitted with the written consent of NEV Co., regardless of ownership.

4.4 The supplier shall offer the purchaser 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 purchaser.

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. If no separate agreement concluded, after EOP at the purchaser, beginning on 1 January of the following year for at least three years, the last price paid (maximum) for a component in series production will apply to genuine parts.

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 cost break down of the modules/assemblies. If the supplier requests for a price increase, the cost evaluation during the project nomination phase applies to genuine parts. Price reductions that are determined for a serial module/assembly also apply to the genuine part prices for the individual serial components.

5.5 The supplier is obliged to indicate and substantiate every commercial claim in detail with cost break down. 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 purchaser. If the supplier does not fulfil the requirement of NEV Co. and/or the LSP, NEV Co. and/or the LSP 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 purchaser.

6.2 At the request of and in agreement with the purchaser, 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.

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 "Terms of Purchase for Production Material " of NEV Co. 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 NEV Co. and/or the LSP. If the supplier does not fulfil this obligation, it shall be obliged to reimburse NEV Co. and/or the LSP for all costs, expenses and damages including lost profits incurred as a result.

8. Obligation to share information

The supplier shall inform NEV Co. and/or the LSP 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 NEV Co and the LSP 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 purchaser and shall optimize 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 An IT system must be provided at no extra cost charge to the purchaser.

11. General conditions

In all other respects, the "Terms of Purchase for Production Material" of NEV Co. as amended apply accordingly.