

General terms and conditions of purchase for facilities and construction works, VW AG / purchasing division (current as of 1 May 2018)

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1. Validity of these contractual conditions

1.1

These contractual conditions shall supplement the general terms and conditions of purchase, VW AG / general purchasing division. These contractual conditions shall be supplemented by the following, this according to contract type and the nature of the agreement between the parties:

1.2

Special terms and conditions of purchase for facilities

1.3

Special terms and conditions of purchase for construction works

2. Obligations during the tender phase

2.1

The tendering party shall be obliged to check the tender documentation for completeness immediately upon receipt, and to request any missing documents from VW without delay.

The tendering party shall be obliged to draw VW's attention to any possible loopholes and contradictions in the tender, including its various elements, which became apparent either to it or to a specialist company during the tender's examination, this with reasonable care, in a separate covering letter upon its submission of the tender.

2.2

The tendering party shall be obliged to submit a complete tender covering all the goods and services required in order to generate the desired result anticipated by the tender, taking account of the tender requirements and, in particular, the

generally recognised technological and constructional guidelines in the process, this irrespective of whether the goods and services are described in detail in the tender documentation or not.

In the event that the tendering party deviates from the tender guidelines and various elements in its tender in any manner whatsoever, it shall be obliged to draw VW's attention to this in a separate covering letter containing brief details of the reasons for this upon submitting the tender.

2.3

2.3.1

The tendering party may submit separate proposals / alternative tenders deviating from the tender guidelines as regards all contracted commissions. However, a complete main tender pertaining to the original call for tenders must also be submitted, this taking full account of the terms and conditions of tender.

Separate proposals / alternative tenders must be clearly labelled as such and submitted separately from the complete calculated main tender. All items referred to in the separate proposals / alternative tenders must be numbered consecutively in accordance with the tender structure and clearly labelled as such. All deviations in the stipulated specifications should be precisely stated.

Separate proposals / alternative tenders should, in particular, include the following in compliance with the aforementioned conditions of tender:

- descriptions, details and constructional drawings, which ensure that all the particulars of the separate proposal / alternative tender can be recognised in a clear, definitive and perusable manner,
- a checkable bill of quantities for the constructional parts,
- precise, definitive service descriptions for the altered individual items with unit and overall price information. The price information shall be stated for valuation purposes only.

2.3.2

By submitting a separate proposal / alternative tender, the tendering party shall provide an express guarantee of the comprehensive legal, technical and deadline-related parity of its separate proposal / alternative tender.

By submitting a separate proposal / alternative tender, the tendering party recognises that, in the event that the separate proposal / alternative tender is accepted, including the agreed remuneration, all services included in, and influenced by the separate proposal / alternative tender which are required for the complete, defect-free and scheduled execution of the provision of services included in the scope of the separate proposal / alternative tender shall be satisfied. This shall not apply to the forms of expenditure to be assigned to VW in accordance with the two paragraphs below.

In the event that the tendering party uses documentation provided by VW as the basis for the drafting and, in the case of the contract's assignment, the execution of its separate proposal / alternative tender, it shall be obliged to check the said documentation for completeness, accuracy and usability as related to its separate proposal / alternative tender with the utmost care and to revise this as necessary. The tendering party and, in the event of the contract's assignment, the contractual partner, shall also be obliged to carry out all necessary research and examinations in a punctual manner.

In the case of the contract's assignment, the tendering party shall be obliged to assume all the related costs incurred by a possible revision of the plans for all works included in a separate proposal / alternative tender, which is required as a direct result of the separate proposal / alternative tender itself.

VW's authorised scheduling employees should be called upon for this purpose, and commissioned at the expense of the tendering party as necessary. The tendering party shall be obliged to ensure that the possible adaptation and / or revision of VW planning or any other

documentation related to the tender required as a result of the submission of a separate proposal / alternative tender is carried out at its own expense without delay, this in the tender phase and by the submission of the tender itself at the latest.

2.4

The tendering party shall be obliged to specify which elements of the goods and service obligations it wishes to assign to other contractors upon its submission of the tender. These contractors must be named in a list of respective goods and services components to be enclosed with the tender. Please see fig. 5.3 for further information.

Any assignment of the services to be provided to subcontractors shall require VW's express separate written consent. The latter shall not apply to the goods and services obligations which do not fall within the scope of the services provided by the tendering party, and which were expressly alluded to in the tender.

3. Contractual foundations

Provided that nothing to the contrary has been expressly agreed, the contractual performance shall comprise those goods and services arising from the contract, including all its components, in a complete manner.

4. Co-operation obligation

4.1

The contractual partner shall be obliged to inform VW of all significant matters arising as a result of the implementation of the contractual activities, and shall participate in all discussions via an agent authorised in relation to service and pricing agreements.

4.2

The contractual partner shall be obliged to inform VW immediately in the event that any incremental costs, including those pertaining to any other works, arise which are not included in the contractually agreed level of remuneration. Possible

contractually agreed lump sum consolidations shall remain unaffected.

4.3

The contractual partner shall be obliged to protect the rights of VW within the context of the contract. In particular, the contractual partner shall be obliged to provide any subcontractors it commissions with suitable, accurate instructions. The contractual partner's full responsibility for the contractually agreed performance, even in the case of the use of subcontractors, shall hereby remain unaffected.

4.4

The contractual partner shall be obliged to support and promote VW's activities. In particular, the contractual partner shall be obliged to take or bring about decisions at the request of VW, making provision for an appropriate verification and agreement period in the process.

4.5

The contractual partner shall be obliged to ensure that an employee authorised to make decisions and issue instructions is present at the building site at all times. This shall also apply in the event of the contractual partner's assignment of services to subcontractors.

4.6

VW reserves the right to reject a change in the contractual partner's construction site or project management on the grounds of just cause, or to demand the replacement of the contractual partner's construction site or project manager on the grounds of just cause. The contractual partner shall be obliged to inform VW of any intended change in the construction site or project management in a punctual manner and to obtain the latter's consent. An approval application relating to the future construction site or project manager must be submitted, and must include proof of his qualifications and professional experience.

4.7

In the event that the project's contractually agreed interim dates or the overall completion date are postponed or alter,

the contractual parties shall be obliged to agree on new dates.

4.8

The contractual partner shall be obliged to guarantee third parties (e.g. those carrying out follow-up works) prior access to the construction site for purposes of the fulfilment of their commissions, this in the context of its general co-operation obligation and of safeguarding its own interests. This prior access shall not affect the passing of the risk and shall not cause a decline in the performance of the contractual partner.

5. Involvement by VW

5.1

VW shall be entitled to monitor construction progress at the plant or site via an authorised representative at all times, this on the contractual partner's premises or those of its subcontractors, and in accordance with the applicable regulations. This shall not excuse the contractual partner from fulfilling its own obligations in accordance with the contract. The contractual partner shall be obliged to co-operate with VW's authorised representative.

5.2

The contractual partner shall submit all plans, drawings etc. required in accordance with the contract to VW and to third parties specified by VW for inspection. VW shall be entitled to specify an appropriate verification period.

The contractual partner shall continue to assume full responsibility for the contractually agreed performance in the wake of the examination and approval of the plans, drawings and other documentation by VW or individuals commissioned by the latter. The examination and approval by VW and / or from its designated agents shall not constitute any contributory negligence in terms of § 254 of the BGB (German Civil Code).

5.3

VW intends to conclude maintenance contracts for all machinery components in addition to services for which maintenance contracts are envisaged in terms of the contractual terms and conditions, this in accordance with the guidelines issued by the manufacturers themselves and by the TÜV (Technical Inspection Agency), for the duration of the warranty period. Taking this into account, the contractual partner shall be obliged to obtain tenders from its subcontractors regarding the required maintenance contracts and to obtain VW's approval in conjunction with the same, this prior to its commissioning of the relevant services to be provided by the subcontractors in question. In the event that the contractual partner intends to carry out the relevant maintenance works itself, it should enclose the required maintenance contracts with its tender. VW is not obliged to commission the contractual partner or one of its subcontractors with the maintenance work.

VW shall be entitled to reject specific brands of machinery components and services to be included in the maintenance contracts in accordance with the contractual conditions, within a period of four weeks from the submission of the subcontractor's tenders and those regarding the maintenance contracts themselves, this in the event that they are likely to result in above average or disproportionate maintenance or cost-related expenditure.

6. Scope of services / service amendments / additions

6.1

The contractual partner shall be obliged to provide all goods and services required in order to fulfil the scope of the services envisaged by the contract in an accurate, functional and legal manner.

6.2

The contractual partner shall be obliged to install the brand in question in the event that specific brands or makes are stipulated in the service specifications without the addition "or equivalent". The contractual partner may only deviate from the specified brands with VW's express consent in the event that specific brands

appear in the service specifications with the addition "or equivalent". This consent shall be given in the wake of an examination of the parity of the brands in question, and shall not affect the contractual partner's liability to ensure the unqualified legal, deadline-related and qualitative parity of the goods provided.

6.3

In the event that a separate proposal / alternative tender submitted by the contractual partner shall not be deemed feasible by VW for unspecified reasons, the contractual partner shall be obliged to develop at least one other alternative at its own expense, which shall equate to the original unfeasible separate proposal / alternative tender in technical and economic terms and submit this to VW for approval.

VW shall make a decision regarding the implementation of (one of) the perusable and assessable alternative(s) submitted immediately.

In the event that VW decides to reject the submitted alternative(s) upon the appropriate application of the principles of justified refusal of the rectification of deficiencies on the grounds of unreasonableness, the contractual partner shall be obliged to provide the service specified in the original call for tenders.

The contractual partner shall also be obliged to assume any incremental costs arising from the non-feasibility of a separate proposal / alternative tender. The contractual partner shall also be obliged to speed up the implementation of some or all of the services associated with the contract at its own expense in the event that the non-feasibility of a separate proposal / alternative tender results in delays, this in order to guarantee the fulfilment of its contractual obligations.

6.4

VW's project or construction site manager shall not be authorised to commission additional services on VW's behalf or to make adjustments which constitute contractual amendments. This shall only be incumbent upon the specific individuals named in the tender.

6.5

In the event that additional services not covered by the remuneration agreement become necessary during the course of

the contract's execution, the contractual partner shall be obliged to inform VW of this without delay before the said execution, and to submit a corresponding additional tender to VW within six working days. Each additional tender must be based on the main tender's pricing principles as stipulated by the current version of the contract.

The additional tender should include details of all costs, i.e. all those time-related costs associated with possible acceleration measures, etc. The contractually agreed discounts should also be taken into account.

Possible additional tenders should also include the following information:

- labelling as additional items (e.g. N1.1. N2.1 etc.).

6.6

In the event that VW and the contractual partner are unable to agree as regards whether a specific service or instruction issued by VW for the implementation of specific works is included in the scope of the agreed remuneration or not, or in the event that the contractual parties are unable to agree as regards the level of the said remuneration, the contractual partner shall be obliged to provide the amended or additionally required service, this subject to its legal position. An agreement regarding possible additional remuneration shall follow. VW shall be obliged to expedite its inspection procedures in this regard.

7. Compliance with regulations

The contractual partner shall be obliged to comply with the valid legal and regulatory guidelines during its execution of the contractually stipulated services, with particular reference to the guidelines and ordinances issued by the building regulation authorities, the TÜV (Technical Inspection Agency), the commercial regulatory authority and the Employer's Liability Insurance Association.

The instructions issued by the health and safety protection co-ordinator should also be obeyed. The construction site guidelines issued by the health and safety protection coordinator constitute a contractual component.

In the event of its failure to comply with the aforementioned regulations, the contractual partner shall be liable for all resultant penalties, in addition to personal injury and material damage, this even in the wake of the item of property to VW. It hereby exempts VW from all claims resulting from its misconduct.

8. Arbeitnehmerentendegesetz (AEntG) (law concerning the posting of employees abroad)

The contractual partner shall be obliged to exempt VW from all claims made by its employees, its subcontractor's employees and all those employees affiliated to minor subcontractors and possible lenders and social security funds, this in accordance with § 1 of the law concerning the posting of employees abroad (AEntG).

In the event that the contractual partner is in breach of its obligations under the terms of the AEntG (law concerning the posting of employees abroad), this shall entitle VW to terminate the contract on the grounds of just cause. The same shall apply in the event that one of the contractual partner's subcontractors repeatedly breaches its obligations in connection with the AEntG (law concerning the posting of employees abroad).

9. Subcontractors

9.1

The contractual partner shall be obliged to perform the service on its own premises. In exceptional cases, and in accordance with figure 2.4 of these terms and conditions of purchase, the service in question may be assigned to a subcontractor with VW's prior written consent.

9.2

The contractual partner may only commission expert, efficient and reliable subcontractors which comply with their legal obligations in terms of the payment of taxes and social security contributions and which fulfil the commercial requirements. The contractual partner may not agree less favourable contractual conditions with the subcontractors than those which have been agreed between it and VW.

Moreover, the contractual partner shall be obliged to comply with regulations governing both the rights of foreigners and employment rights and those pertaining to the law concerning the posting of employees abroad, both on its own

premises and in the case of those employees stationed at the construction site, and must encourage its subcontractors to do the same. The contractual partner shall also be obliged to accept these obligations within the context of contracts with its subcontractors. The contractual partner shall be obliged to provide proof of its acceptance of these obligations via its submission of the relevant contracts to VW at the latter's request. Furthermore, the contractual partner shall be obliged to carry out continuous checks to ensure that its subcontractors comply with the abovementioned regulations governing both the rights of foreigners and employment rights, and to document these checks in an appropriate manner. The contractual partner shall be obliged to submit the relevant proof of these checks immediately at VW's request.

In the event that the contractual partner is unable to comply with this obligation, this shall constitute a serious contractual breach and shall entitle VW to terminate this contract, either in whole or in part, on the grounds of just cause, this in the wake of a series of written reminders and deadlines designed to bring about a rectification of this state of affairs.

The contractual partner's relinquishment of corresponding contractual conditions to subcontractors shall not result in its exoneration in terms of its obligation to VW.

10. Obstructions

10.1

The contractual partner shall be obliged to inform VW of any obstructions or disruptions immediately and within two days of their becoming apparent at the latest, and this in writing

11. Limitation of competition

In the event that the contractual partner is proven to have made an agreement constituting an illegal limitation of competition in connection with the

contract's conclusion, it shall be obliged to pay VW 3% of the net order total, unless damages amounting to a different total are proven. This shall also apply in the event that the contract is terminated or has already been fulfilled. Other contractual or legal claims by VW shall hereby remain unaffected.

12. VW supplies

12.1

In the event that VW supplies part of the service provision, the contractual partner shall be obliged to carry out independent checks on the supplies provided by VW in a comprehensive manner, and to draw VW's attention to possible defects or circumstances which may conflict with the fulfilment of the designated functions and / or to other circumstances which may conflict with the fulfilment of the contractual partner's contractual obligations, this without delay.

12.2

In so far as supplies to be provided by VW under the terms of the contract are owned by third parties at the time of their assignment to the contractual partner, the contractual partner shall be entitled to legally represent VW for the purposes of the purchase of the said property required to carry out the provision of services. It shall be agreed that the ownership of the said supplies shall pass to VW upon their transfer to the contractual partner. It shall not be necessary to transfer the provided supplies to VW, this unless alternative agreements have been made. Instead, the contractual partner shall be obliged to store the said supplies with the diligence and care of a prudent, conscientious businessman.

The aforementioned regulations shall also be applied in the event of remainder rights.

12.3

The contractual partner shall be obliged to store the provided supplies from the time of their transfer to the contractual partner until the conclusion of the project in question with the due diligence and care of a prudent and conscientious businessman.

Unless otherwise agreed, the contractual partner shall not receive any separate remuneration in return for the storage of the aforementioned supplies. This shall constitute a secondary obligation of the non-gratuitous services which the contractual partner is obliged to provide. The contractual partner shall be obliged to store the supplies provided by VW separately from other supplies unless this conflicts with their intended use in accordance with the regulations, this on a long-term basis, and should clearly label the said supplies as property of VW. In addition, the contractual partner may not remove the supplies from the place of storage without VW's express prior permission.

12.4

The contractual partner shall be obliged to insure the supplies against fire and water damage and theft and / or other damages within the context of its existing operational insurance, and to maintain this level of insurance until the conclusion of the project in question.

The contractual partner shall assign all claims to which it is entitled from the insurer in the case of loss or damage to VW. VW shall hereby accept this assignment.

12.5

The contractual partner shall be obliged to confirm its ownership of the supplies at VW's request, and this in writing.

12.6

In the event that the contractual partner combines VW supplies with its own goods, resulting in the creation of new goods, VW shall become a co-owner of the resultant

goods, and this in proportion to the value of VW's original goods to that of the contractual partner's goods at the time of their bonding.

In the event that the contractual partner adapts goods supplied by VW to form new goods, this adaptation shall be deemed to have been carried out by the contractual partner on behalf of VW as the manufacturer.

13. Place of performance

The place of performance shall be deemed the place specified in the call for tenders or the negotiation records. This shall usually be a VW plant, branch or other business location. In the event that a place of performance is not expressly specified and if this cannot be inferred from the agreements between the parties, Wolfsburg, Germany, shall be deemed the place of performance.

14. Invoicing

In addition to the requirements stipulated in fig. 6 of the general terms and conditions of purchase, a second copy of the invoice, marked as such and taking account of all the other requirements stipulated in fig. 6 of the general terms and conditions of purchase should be addressed to the office specified in the call for tenders.