

VOLKSWAGEN FINANCIAL SERVICES

AUSTRALIA

STANDARD TERMS AND CONDITIONS OF PURCHASE FOR GOODS AND SERVICES

Volkswagen Financial Services Australia Pty Ltd ABN 20 097 071 460 (**Company**) of 24 Muir Road, Chullora, New South Wales, 2190 purchases Goods and Services on the following terms and conditions and any Purchase Order issued by the Company, unless otherwise agreed in writing.

1. DEFINITIONS

1.1 Unless the context otherwise requires:

Deliverables means Goods and Services.

Goods means the products, materials, supplies, equipment and other goods the subject of a Purchase Order and, if applicable, forming part of the Services.

Modern Slavery means (a) conduct, which would constitute an offence under either Division 270 or 271 of the Criminal Code (Cth) such as slavery, servitude, forced labour, deceptive recruiting, debt bondage and any form of human trafficking; and (b) any form of child labour prohibited by law.

Purchase Order means an order by the Company on the Supplier for the supply of Goods or Services.

Services means all services to be performed by the Supplier as set out in a Purchase Order.

Site means the locations stated in a Purchase Order for the delivery of Goods or the performance of Services.

Supplier means all services to be performed by the Supplier as set out in a Purchase Order.

Terms means these terms and conditions.

2. ORDERS

2.1 These Terms apply to and govern all Purchase Orders placed by the Company whereby Deliverables are supplied, provided and/or delivered by the Supplier to the Company.

2.2 A Purchase Order and the Terms will constitute the entire agreement between the Company and the Supplier for the supply of the Deliverables. No terms and conditions stated by the Supplier in any quotation, invoice or other document will be binding on the Company unless accepted in writing by an authorised signatory of the Company.

2.3 To the extent that any conflict exists between the Terms and any other document forming part of any Purchase Order the following order of priority will apply:

- (a) these Terms;
- (b) the Purchase Order; and
- (c) any attachments to, or other documents referred to in, the Purchase Order.

2.4 Within 3 business days of receipt of a Purchase Order, the Supplier must reply to the Company to confirm receipt and that the Purchase Order will be completed by the time stated in the Purchase Order.

2.5 In the absence of a Purchase Order, nothing in these Terms nor any action taken by the Company will give rise to a contractual relationship between the Company and the Supplier.

3. SUPPLY OF GOODS AND SERVICES

3.1 Goods supplied pursuant to a Purchase Order must:

- (a) comply with the quantity, volume, description, standard and specifications required under the Purchase Order;
- (b) be of merchantable quality and fit for the purposes of the Company;
- (c) be delivered by the time specified and in accordance with all instructions in the Purchase Order;
- (d) comply with all applicable laws, codes and standards; and
- (e) pass such inspections and tests as may be required by the Company.

3.2 Services performed pursuant to a Purchase Order must:

- (a) comply with the description, standard and specifications required under the Purchase Order;
- (b) be fit for the purposes of the Company;
- (c) be supplied with the standard of skill, care and quality expected of a provider experienced in the provision of such services;
- (d) be completed by the time specified and in accordance with all instructions in the Purchase Order; and
- (e) pass such inspections and tests as may be required by the Company.

3.3 The Company relies upon the skill and knowledge of the Supplier in providing the Goods and Services.

4. CODE OF CONDUCT

4.1 The Supplier must comply with the Company's Code of Conduct for Business Partners (Code), which is available at: <https://www.volkswagen.com.au/en/about/business-partners.html>.

4.2 The Supplier acknowledges and agrees that the Supplier's engagement under any Purchase Order is subject to its compliance with the Code.

4.3 In the event that the Company makes any significant variations to the Code during the course of this agreement, the Company will notify the Supplier within a reasonable period.

5. ANTI-BRIBERY

5.1 Both parties must:

- (a) at all times comply with all applicable Australian laws, statutes, regulations and codes relating to anti-bribery and improper payments (the Anti-Bribery Requirements);
- (b) not give or offer or promise to give, receive or agree to accept, any payment, gift or other benefit or advantage which violates an Anti-Bribery Requirement;
- (c) have and maintain throughout the term of this agreement its own policies and procedures to ensure compliance with the Anti-Bribery Requirements and enforce them where appropriate;
- (d) not prepare, approve or execute any contract or other document or make any record in connection with this agreement that a party knows, or ought reasonably know, is false, inaccurate or misleading; and
- (e) promptly report to the other party any request or demand for any undue financial or other advantage of any kind received by that party in connection with the performance of this agreement which will or may be in breach of the Anti-Bribery Requirements.

6. MODERN SLAVERY

6.1 Supplier warrants that it does not, and agrees that it will, not engage in any form of Modern Slavery.

6.2 Supplier will take all reasonable steps to ensure that its suppliers do not engage in any form of Modern Slavery (including undertaking due diligence in its selection of suppliers, and continually monitoring and auditing its suppliers for this purpose).

6.3 VGA may audit Supplier (either by itself or a third party appointed by VGA) to verify compliance with this clause 6.

6.4 Any breach of this clause 6 will entitle VGA to:

(a) suspend performance of its obligations under his agreement until it is satisfied (acting in good faith and reasonably) that the breach has been adequately addressed and rectified; or

(b) terminate this agreement by giving 5 business days' written notice.

6.5 In the event of suspension or termination pursuant to this clause 6, VGA will not be required to pay any compensation to Supplier for that suspension or termination or any consequential damages.

6.6 Supplier will indemnify and hold harmless VGA in relation to any losses it suffers (including with respect to brand damage or loss of reputation and any consequential damages) or liabilities or penalties (including statutory penalties) it incurs, as a result of any breach of any of this clause 6.

7. PRICE

7.1 Unless otherwise agreed by the Company in writing, the prices for the Deliverables will:

- (a) remain fixed for the term of the Purchase Order and will not be subject to any variation in the cost of materials, labour, delivery, taxes or otherwise;
- (b) be exclusive of any applicable GST;
- (c) include all duties, taxes (other than GST), levies, imposts and other costs;
- (d) be payable in Australian dollars; and
- (e) include all costs of delivery to the Site as well as all packaging, shipping, carriage and insurance.

8. AMENDMENTS TO A PURCHASE ORDER

8.1 If, prior to supply of the Deliverables, the Company notifies the Supplier in writing of any change to its requirements under a Purchase Order, the following will apply:

- (a) if the change would reduce the Supplier's costs, the Supplier will propose a reduced price to fairly reflect any savings. If the change would increase the Supplier's costs, the Supplier will notify the Company promptly, in writing, of a proposed revision of the price to fairly and proportionately reflect any unavoidable increased costs. Following such notice of a change in costs, the Company and the Supplier will use their best endeavours to agree on revised terms in full, including as to price;
- (b) if the change, in the reasonable opinion of the Supplier, would be unachievable for any reason, the Supplier may notify the Company in writing with reasons as to why such a change would be unachievable. If the Supplier provides such a notice, both parties will use their best endeavours to agree on revised terms in full, including as to price;
- (c) failing notice by the Supplier under clauses 6.1(a) or 6.1(b) within 7 days of the Company's notice, the proposed change will be deemed to have been accepted, and the Purchase Order will be deemed to have been varied, with immediate effect to reflect the change with no price increase; and
- (d) in no event will the Company be liable to the Supplier in respect of any costs which amount to more than reasonable unavoidable costs actually incurred by the Supplier and directly attributable to the relevant change.

9. DELIVERY

9.1 The Supplier must deliver the Goods to the Site and perform the Services at the Site on the date specified in the Purchase Order during usual business hours, unless otherwise agreed.

9.2 If the Company specifies the delivery address or date after a Purchase Order is placed, the Company will give the Supplier reasonable notice of the details. If no date for delivery is specified, the date for supply will be as soon as reasonably possible as directed by the Company.

9.3 A packing note quoting the Purchase Order reference number, the item number, the Site, contents, quantity, date and method of dispatch and weight must accompany each delivery or consignment of Goods and must be displayed prominently on the outside of the packaging (if any).

9.4 If the Supplier does not supply the Goods or complete the performance of the Services within the time(s) stated in the Purchase Order, the Company may terminate the Purchase Order immediately upon notice in writing to the Supplier.

9.5 The Supplier must, and must ensure that its employees, agents and contractors, while at the Site comply with the Company's reasonable requirements as to security, health and safety, times and areas of access.

10. TITLE, RISK, INSPECTION AND ACCEPTANCE

10.1 The Supplier warrants that, at the time of delivery, it has the right to sell the Goods and the Goods are free from all liens, charges and encumbrances of any kind.

10.2 At any time prior to the supply of any Goods, the Company, upon reasonable notice, may inspect the Goods (and premises for) manufacture and storage. If, as a result of such an inspection, the Company is not satisfied with the quality of the Goods or the standard of their manufacture, storage or handling, the Supplier must take such steps as are necessary to correct any deficiency. If, after the Supplier has been given an opportunity to correct any deficiency, the deficiency has not been corrected to the satisfaction of the Company, the Company may terminate the Purchase Order immediately upon notice in writing to the Supplier.

10.3 Title and risk in the Goods will pass to the Company after the Goods have been physically delivered to and inspected and accepted by the Company as being in accordance with the Purchase Order.

10.4 The Company may reject any Deliverables which the Company determines do not comply with the corresponding Purchase Order.

10.5 The Company may at any time return rejected Goods to the Supplier at the Supplier's expense and obtain full credit in respect of the purchase price thereof.

10.6 If required by the Company, the Supplier must re-supply any rejected Goods and remedy any rejected Services at no additional cost to the Company.

10.7 If any Deliverables are not delivered, supplied or performed on or by the relevant date specified in the Purchase Order, then, in addition to any other remedies available to the Company, the Company will be entitled to deduct 1% of the overall price for those Deliverables, for every week's delay. The Supplier acknowledges and agrees that such amount represents a genuine pre-estimate of the loss or damage which will be suffered by the Company in respect of any such delay.

11. INSURANCE

11.1 The Supplier must arrange adequate insurance coverage in respect of the Deliverables in accordance with the reasonable requirements of the Company regarding the entities insured, the risks insured against and the amount of the insurance.

11.2 Without limiting clause 11.1, the Supplier must insure itself and the Company in relation to the Goods against product liability and product recall liability for the amounts set out in a Purchase Order.

11.3 The Supplier will demonstrate to the Company the terms and currency of any such insurance upon request by the Company.

12. INDEMNITY

- 12.1 The Supplier must indemnify, and keep indemnified, the Company in respect of all costs, expenses, claims, damages and liabilities suffered or incurred by the Company or for which the Company is or may become liable in connection with any:
- breach by the Supplier of the Terms or any Purchase Order;
 - claims by any third party in respect of any personal injury, death, property damage, breach of laws or intellectual property rights caused or contributed to by the Supplier; or
 - negligence of the Supplier or any of its employees, agents or contractors.
- 12.2 At its option the Company may deduct or withhold from any amount then due and owing or to become due and owing to the Supplier an amount equivalent to the sum of any moneys payable to the Company by the Supplier under clause 12.1.

13. LAWS AND REGULATIONS

- 13.1 The Supplier will, at its cost, comply with:
- all requirements of the Company in any way affecting or applicable to the Goods or Services; and
 - all applicable laws, codes and standards.
- 13.2 The Supplier must obtain all permits, licences, consents, approvals and authorisations required in respect of the Deliverables. The Supplier must provide to the Company evidence of compliance at the request of the Company.
- 13.3 Where the Supplier possesses any personal information in connection with a Purchase Order, the Supplier must comply with the Privacy Act 1988 (Cth) and the privacy policy of the Company available at <https://www.volkswagen.com.au/en/privacy-policy.html>.

14. WARRANTY

- 14.1 The Supplier warrants that:
- the quantity, quality, description and specifications for the Deliverables will be those set out in the Purchase Order;
 - all Goods will be free from defects in materials and workmanship;
 - all claims made by the Supplier about any Deliverables, including in the Supplier's advertising and promotional materials, are correct and can be relied upon;
 - all Services will be performed in a timely and professional manner by personnel who are suitably qualified and experienced;
 - all Services will be rendered with due care and skill; and
 - neither the sale and supply of any Deliverable, nor its use by the Customer, will breach any rights of any other person.
- 14.2 If any Goods have been obtained by the Supplier from a third party, any warranties and indemnities the Supplier holds from that third party, in respect of those items, must also be provided to the Company.
- 14.3 Any Goods or Services determined by the Company not to be in accordance with these Terms or a Purchase Order must be remedied by the Supplier at its own expense upon request of the Company. At the Company's option, without limiting any rights of the Company under the Australian Consumer Law, the Company may require the Supplier to:
- for Services: supply the Services again or pay the cost of having the Services supplied again; and
 - for Goods: replace the Goods or supply equivalent goods, repair the Goods, pay the cost of replacing the Goods or of acquiring equivalent goods or pay the cost of having the Goods repaired.
- 14.4 If the Supplier fails to promptly remedy any defect in the Goods or Services on request by, and to the satisfaction of, the Company, then the Company may remedy (or arrange for a third party to remedy) that defect at the cost of the Supplier which will be a debt due and owing to the Company.

15. CONFIDENTIAL INFORMATION

- 15.1 All drawings, specifications, computer programs, compilations of data, know-how and other information relating to the Services, the Goods, the Company's operations, financial or business affairs which the Supplier becomes aware of during the term of a Purchase Order, including information which by its nature should reasonably be considered to be confidential information (collectively, **Confidential Information**) are confidential to the Company. Confidential Information does not include any information which the Supplier can prove either is in the public domain or was known by the Supplier at the time of disclosure, other than through a breach of the Terms.
- 15.2 Confidential Information remains the property of the Company at all times and the Supplier must keep the Confidential Information confidential and secure.
- 15.3 The Supplier must not, and must ensure that its employees, agents and contractors do not, disclose the Confidential Information to any third party except as follows:
- with the prior written consent of the Company;
 - to the extent required by law, order of a court or regulatory body or the Listing Rules of the ASX Limited; or
 - to any employee, agent or contractor of the Supplier who has a need to know the information for the purposes of a Purchase Order and is bound by terms no less onerous than those contained in this clause.

16. INTELLECTUAL PROPERTY RIGHTS

- 16.1 If the Supplier carries out any development work under a Purchase Order, the Company will own all intellectual property rights generated in that work. The Supplier will do everything reasonably required by the Company, during or after supply of the Deliverables, to effect any transfer of rights to the Company under this clause.
- 16.2 Except where clause 16.1 applies, the Supplier must grant to, or obtain for, the Company a perpetual, irrevocable, world-wide, royalty free, non-exclusive licence (including the right to novate or assign the licence, and to sublicense) to use, reproduce, adapt, modify and communicate any intellectual property rights contained in any Deliverables provided to the Supplier, in order to receive the full benefit of the Deliverables.

17. PAYMENT

- 17.1 The Supplier will invoice the Company for payment on or after supply of the Goods or completion of the Services unless:
- supply of the Goods or performance of the Services extends for more than 1 calendar month in duration, in which case the Supplier may invoice the Company at the end of each month for Goods supplied or Services performed during the relevant month; or
 - there is a different arrangement set out in the Purchase Order or a separate agreement, in which case the terms of such arrangement will apply.
- 17.2 The Company will not be liable to pay an invoice from the Supplier unless the invoice is correctly rendered. An invoice will be correctly rendered if it complies with the A New Tax System (Goods and Services Tax) Act 1999 (Cth) and includes the following information:
- invoice number;
 - Purchase Order number;
 - Supplier's name and address;
 - period for which the invoice is submitted; and
 - details of the Deliverables.

- 17.3 Unless otherwise agreed by the Company in writing, the Company will pay the Supplier within 30 days of the Company receiving a correctly rendered invoice in accordance with the requirements of these Terms and the applicable Purchase Order.
- 17.4 The Company will be entitled to deduct or set off against any invoice any money owed by the Supplier to the Company.

18. TERMINATION

- 18.1 Without limiting any other provision of these Terms, if a party (**Party A**):
- breaches any of these Terms and the breach is not capable of being remedied or, if the breach is capable of being remedied, Party A does not remedy that breach within 14 days of the date of notice to Party A specifying the breach;
 - becomes, threatens, resolves to become or in the reasonable opinion of the other party (**Party B**) is likely to become subject to any form of insolvency, administration, receivership, bankruptcy or liquidation; or
 - enters into any composition or arrangement with its creditors or has a receiver appointed over any of its assets or is the subject of any resolution or petition for winding up, then Party B may:
 - where Party B is the Company, suspend payment in respect of all Purchase Orders placed by the Company with the Supplier whether or not the Supplier has complied with the terms and conditions attaching to any of those particular Purchase Orders;
 - remedy the breach referred to in clause 18.1 on behalf of Party A at the cost of Party A; and/or
 - terminate the Purchase Order and these Terms at no cost to Party B.
- 18.2 Termination of a Purchase Order and these Terms under clause 18.1 will be without prejudice to any other rights and remedies of either party.
- 18.3 Notwithstanding anything else in this clause 18 or elsewhere in the Terms, either party may terminate a Purchase Order by providing 30 days' written notice to the other party.
- 18.4 If a Purchase Order is terminated by the Company under clause 18.3, the Company will be liable only for payments due under the Purchase Order which are invoiced prior to the effective date of termination and any unavoidable reasonable costs actually incurred by the Supplier that are directly attributable to the termination (excluding, without limitation, loss of prospective income or redeployment and redundancy costs and not exceeding 80% of the total price of the relevant Deliverables).

19. ASSIGNMENT AND SUBCONTRACTING

- 19.1 The Supplier must not assign or novate, in whole or in part, a Purchase Order or these Terms, without the prior written consent of the Company.
- 19.2 The Supplier must not subcontract a Purchase Order or these Terms without the prior written consent of the Company.
- 19.3 An approval given by the Company permitting the Supplier to subcontract any portion of the Services does not relieve the Supplier from its obligations and liabilities pursuant to a Purchase Order or these Terms and the Supplier will be vicariously liable for the acts and omissions of its subcontractors.

20. LIENS

The Supplier must not claim any liens, attachments or similar claims in connection with the Goods or the Services and must defend and indemnify the Company against any liens, attachments or similar claims arising out of or in connection with a Purchase Order.

21. WAIVERS

- 21.1 Any waiver of any right or remedy of the Company under a Purchase Order or these Terms:
- is effective only if it is issued in writing and properly signed on behalf of the Company;
 - is effective to the extent that the Company expressly states in writing; and
 - does not constitute a waiver of any other right or remedy.
- 21.2 No waiver by the Company of any breach by the Supplier will be considered as a waiver of any subsequent breach of the same or any other provision.

22. RELATIONSHIP BETWEEN THE PARTIES

- 22.1 Except as expressly provided, nothing in this document:
- constitutes a partnership between the parties;
 - makes a party an agent of the other party for any purpose; or
 - makes the Supplier an employee of the Company.
- 22.2 Neither party can in any way or for any purpose:
- bind the other party; or
 - undertake or accept any obligation or benefit on behalf of or in the name of the other party.

23. SEVERABILITY

If any provision of these Terms is held to be invalid or unenforceable in whole or in part the validity of the other Terms and of the remainder of the provision in question will not be affected. Every provision is severable from every other provision.

24. NOTICE

- 24.1 Written notice under these Terms will be deemed to have been given:
- in person, on the day in which the notice was given in person;
 - if posted within Australia, on the third day after the date of posting;
 - if posted to a place in another country, on the seventh day after the date of posting; or
 - if sent by e-mail, at the time sent, unless the sender is notified by a system or person involved in the delivery of the email that the email was not successfully sent.

25. DISPUTE RESOLUTION

Any dispute between the Supplier and the Company arising out of or in any way connected with a Purchase Order which is not resolved by the Supplier and the Company within 14 days of a notice by either party to the other advising that it is a notice pursuant to this clause 25 must be referred for determination to the person agreed between the Company and the Supplier or, failing such agreement, to the nominee of the Company, who will act as an independent expert and not as an arbitrator and the expert's written determination is final and binding on the parties.

26. LAW AND JURISDICTION

These Terms and all Purchase Orders will be governed by and interpreted in accordance with the laws of New South Wales. The parties submit to the jurisdiction of the courts of New South Wales.