

Standard Terms and Conditions of Purchase of Volkswagen Group Sales Middle East FZCO ("VWGSME")

Definitions

Act of Corruption - means to give, offer, receive, or agree to receive (in isolation or together) payment, gratuity, or other advantage, in business with the public or private sector, that: (i) violates (or had the intention to violate) Anti-Corruption regulations (ii) influences (or had the intention to influence) any person to act or has improperly rewarded any person for acting contrary to the expectation of good faith, impartiality or trust; or (iii) influences (or had the intention to influence) a governmental authority to grant or retain an advantage in the conduct of the Company's and/or its subsidiaries' business;

Data Protection Legislation – any data protection or privacy legislation in the local jurisdiction and including the European Data Protection Legislation where applicable.

Goods/Services - any work, labor, commodities, equipment, materials, or supplies of any tangible or intangible nature, provided or performed through a contract.

Order – request (something) to be made, supplied, or served.

Personal Data - any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly.

Supplier - the individual or the firm supplying the goods and services as incorporated in the contract.

Terms & Conditions - the special conditions of contract and general conditions of contract herein mentioned and other stipulations incorporated in any part of purchase document and /or Agreement.

VWGSME - Volkswagen Group Sales Middle East FZCO

1. Order

1.1. Unless otherwise agreed in writing, all orders by VWGSME to Supplier are placed and are deemed to be accepted by Supplier subject to the following conditions ("Conditions").

1.2. The agreement for delivery of Goods/Services becomes effective upon Supplier's receipt of VWGSME's written confirmation ("Order") of the Supplier's offer. This applies accordingly to any subsequent variation to the Order.

1.3. These Terms & Conditions apply to any order. Terms & Conditions of sale and delivery of the Supplier do not apply, even if VWGSME has not explicitly rejected such conditions. These terms and conditions supplement the standard service agreement of VWGSME. In case of conflict, the provisions of the signed standard service agreement shall prevail.

1.4. The Supplier shall place orders or parts thereof to third parties only with VWGSME's prior written consent. In such cases, VWGSME shall not be liable to these third parties and the Supplier shall be solely responsible for the performance of all obligations according to the Order. The Supplier shall assign to VWGSME all rights (e.g. warranty claims) against such third parties.

2. Variations

2.1. VWGSME shall have the right to demand variations to the Order at anytime

2.2. To the extent that a variation entails an increase or reduction in costs and/or an adjusted delivery date, the Supplier shall inform VWGSME without delay. The parties will negotiate in good faith the consequences of such variation and put such variation in writing. If the variation is fulfilled or delivered without agreeing on consequences of such variations the costs as well as the delivery date shall remain the same.

3. Quality of Goods/Services

3.1. Goods/Services shall conform to the quality, description and specification defined by VWGSME and shall be of sound materials and workmanship. If the purpose for which the Goods/Services are required has been indicated by VWGSME, either expressly or by implication, the Goods/Services shall be fit for that purpose.

3.2. The Supplier warrants (i) that the design, construction, composition and quality of Goods/Service shall comply in all respects with all relevant requirements of any statute, statutory instrument or regulation in force at the date of delivery, (ii) that the Goods/Services will conform to the respective product/service descriptions issued by the Supplier and (iii) that the Goods/Services shall comply in all respects with all relevant requirements of VWGSME and meet the demands of the purpose of VWGSME if such purpose has been communicated by VWGSME to Supplier in beforehand.

3.3. The Supplier further warrants that services will be performed by appropriately qualified and trained personnel with due care and diligence and to such high standard of quality as it is reasonable for VWGSME to expect.

3.4. The warranty period shall be subject to local law. Any complaint by VWGSME shall suspend the warranty period. Upon remedy of the faulty good to VWGSME's satisfaction, the warranty period shall continue to run.

3.5. Without prejudice to its other rights, VWGSME reserves the right to reject any goods or services supplied which fail to comply with the foregoing conditions. Upon notification or rejection by VWGSME, the relevant goods shall be returned to the Supplier at the Supplier's expense and the Supplier shall, at VWGSME's sole option, within a time acceptable to VWGSME either supply replacement goods/re-deliver the services in accordance with the Order or return the purchase price to VWGSME. In case the Supplier is late in providing replacement of the rejected goods or in re-delivering the service in accordance to the Order, VWGSME shall have the right to remedy the Order, VWGSME shall have the right to remedy the fault itself and demand reimbursement of any related costs.

4. Delivery of Goods/Services

4.1 Any Order is subject to the understanding that deliveries and/or performance will be provided strictly in accordance with VWGSME's requirements as stated in the respective Order or in any otherwise agreed form of delivery or performance schedule. The Supplier acknowledges the utmost importance of delivery within the agreed performance schedules. VWGSME reserves the right to refuse acceptance of Goods/Services which are supplied in excess to VWGSME's requirements as stated in the respective Order and VWGSME accepts no liability for such deliveries. Such excess deliveries may be returned at the Supplier's risk and expense.

4.2 Partial delivery shall not be permitted, unless agreed in writing.

4.3 The Supplier shall provide suitable containers and/or packing materials for the delivery and reasonable storage of goods supplied.

5. Acceptance of Goods/Services

5.1 The acceptance of Goods/Services shall be subject to VWGSME's written acknowledgement. If the testing of the Goods/Services requires commissioning or prior use for test purposes, then acceptance is only carried out once the tests have been completed to the satisfaction of VWGSME.

5.2 Payments made by VWGSME to the Supplier shall not be regarded as acceptance of the goods/services.

6. Risk and Insurance

6.1 The Supplier shall render delivery carriage free of charge to the agreed point of delivery ("DDP" in accordance with INCOTERMS 2000).

6.2 The ownership and risk in the goods supplied shall pass to VWGSME upon acceptance pursuant to Article 5.

6.3 The Supplier shall notify VWGSME immediately of defaults in the consignment if such defaults are discovered by the Supplier.

6.4 The Supplier shall maintain at its own cost a policy of insurance to cover the liability of the Supplier in respect of any act or default for which it may become liable to or be responsible for indemnifying VWGSME.

7. Advertising

The Supplier shall only refer to the business relationship with VWGSME in its advertising material and other public announcements if it has received the prior written approval of VWGSME.

8. Import tax

Any customs duties, taxes and other levies payable for the import of goods/delivery of services shall be borne by the Supplier.

9. Price

The price stated in the Order shall be inclusive of delivery, packaging materials, and all taxes, duties, royalties or other payments due to governmental authorities or other third parties.

10. Invoice and Payment Conditions

Invoices shall state the purchase order number, the Supplier number and the customs code. Payments shall be made by check or transfer after the receipt of a proper and verifiable invoice by VWGSME. VWGSME shall pay any undisputed invoice by the 5th of every month as long as the invoice has been submitted before the 15th of the previous month, otherwise by the 5th of the following month. All invoices pertaining to VWGSME shall be sent to:

Volkswagen Group Sales Middle East FZCO, Finance department, P.O. Box 27758, Dubai Airport Free Zone, Dubai, United Arab Emirates.

Any invoices for subcontracted services shall initially be billed to the Supplier, who upon receipt thereof, shall check that such invoices are correct and shall disburse the invoiced amounts in accordance with its invoice check. The Supplier shall forward the original invoices for subcontracted services to VWGSME. VWGSME reserves the right to settle invoices directly with subcontractors on behalf of the Supplier based on the written

approval of such invoices by the Supplier. In this case, VWGSME shall be entitled to offset such amounts against claims of the Supplier.

11. Intellectual Property Rights of third Parties

11.1 The Supplier warrants that the Goods/Services do not infringe any patents, copyrights, trademarks or any other rights of any third party.

11.2. The Supplier shall indemnify VWGSME against any and all liability, loss, damage and expense arising out of any claim in respect of infringement or alleged infringement of any said rights whether in the United Arab Emirates or elsewhere resulting from the use of or resale of any Goods/Services delivered by the Supplier.

12. Rights related to work results

12.1. All results (i.e. intellectual property rights, materials and data generated during the performance of the Agreement or resulting from a project) - whether partial, provisional or final - related to the Services shall be deemed as work for hire and be the exclusive ownership of VWGSME as soon as they are obtained, for the entire duration of the legal protection pertaining to the rights attached to those results.

12.2. If the results include rights of literary and artistic property, Service Provider transfers to VWGSME on an exclusive basis, all the commercial rights attached thereto, which shall include (without limitation) the right to reproduce, represent, modify, adapt, translate and market, in any form and in any manner whatsoever, the results concerned, on a worldwide basis and for the entire duration of the legal protection pertaining to these rights. On completion of the Services, Service Provider shall cease to use the results. The remuneration due to Service Provider in relation to this transfer of rights is included in the global remuneration set out in Article 4 above.

13. Indemnification

The Supplier shall indemnify and keep indemnified VWGSME from and against any and all loss, damage or liability (whether criminal or civil) suffered as well as legal fees and costs incurred by VWGSME resulting from breach of the terms of the Order by the Supplier including, but not limited to:

- 13.1. any act, omission or neglect of the Supplier's employees, agents or subcontractors;
- 13.2. breaches in respect of any matter arising from supply of goods/ services resulting in any successful claim by any third party;
- 13.3 breach of any warranty given by the Supplier in relation to the goods or services;
- 13.4 any other liability under the applicable laws;

14. Termination

14.1 In the event of non-performance or under-performance of services or of non-delivery of the whole or any part of the goods within the period stated in the Order or, if no period is stated, within reasonable time, VWGSME shall have the right to terminate the Order or the part then undelivered or not performed, without prejudice to any claim which VWGSME may have arising out of such non-delivery, non-performance or otherwise. In case of exercising the termination right, the Supplier shall not be entitled to compensation.

14.2 VWGSME shall be entitled to cancel any undelivered or non-performed part of any Order forthwith by notice given to the Supplier in writing, by telex or telefax,

- (i) if the Supplier makes any assignment for the benefit of creditors,
- (ii) if a receiver or administrator is appointed in respect of all or substantially all of the Supplier's property or
- (iii) if the Supplier becomes insolvent or goes into liquidation.

14.3 VWGSME shall also have the unilateral right to terminate an Order without cause by providing a thirty (30) day written notice to the Supplier. In case of termination under this Article, the Supplier shall use its best efforts to avoid or reduce any costs and expenses incurring. VWGSME shall be liable to only pay the part of the Order delivered or to be delivered until such time that the termination notice has been provided.

15. Confidentiality

15.1 The Supplier shall undertake the following with regard to any documents, data processing programs, data knowledge, experience, information or other services ("Confidential Information") rendered accessible or made known to the Supplier by VWGSME:

- to observe and to ensure that its employees observe strict confidentiality in respect of the Confidential Information.
- not to make the Confidential Information available to unauthorized third parties, either in whole or in part, either directly or indirectly.
- to use the Confidential Information solely for the contractually stipulated purposes.

15.2 The Supplier shall cause any of its subcontractors to adhere in writing to the confidentiality obligations as set forth herein. Upon request, the Supplier shall provide VWGSME copies of the undertakings.

15.3. This clause shall survive the fulfilment, cancellation or termination of any Order.

16. Corruption and Anti-bribery

The Supplier will not, and nor will any of its officers, employees or representatives, directly or indirectly, either in private business dealings or in dealings with the public sector, offer, give or agree to offer or give (either itself or in agreement with others) any payment, gift or other advantage with respect to any matters which are the subject of this Agreement which:

- (a) would violate anti-corruption or bribery legislation in the local jurisdiction of operation or the European Union;

(b) a reasonable person would otherwise consider to be unethical, illegal or improper.

The Supplier represents, warrants and undertakes that it and its associated parties have not engaged in any Act of Corruption prior to the date of this Agreement.

17. VW policies

The Supplier agrees that it has carefully reviewed and understood and will fully comply at all times with the latest version of the Code of Conduct for Business Partners (as published on www.vwgroupsupply.com), as well as any other policy informed by VWGSME to the Supplier from time to time.

18. Audit Rights

18.1 VWGSME and or its appointed auditors/advisors whether an external third party or internally selected audit function reserve the right, giving appropriate notice in writing no less than 48 hours, to audit and remove copies of any records as described above.

18.2 The Supplier shall maintain accurate and up to date records relating to all matters relevant to the relationship between the parties described in this Contract including the calculation of the price agreed and the provision of the Services outlined.

18.2 VWGSME reserve the right to remove any records, physical or digital which we reasonably require to conduct the aforementioned audit activity.

18.3 The Supplier shall provide full co-operation, access and assistance to the appointed auditors or advisors. Any audit will be carried out at the cost of VWGSME however the Supplier may involve their own appointed representative, Auditor or advisor at their own cost, in said audit.

18.4 Only one Audit will be concluded in a 12-month period. VWGSME waive this clause if they believe the Supplier to have breached pertinent regulation, overcharged in anyway or is found to be in breach of this contract.

18.5 If during the course of the audit it is found that the Supplier has not met its obligations, duties, warranties or undertakings, Company may, at its sole discretion: (i) cancel this PO with immediate effect; or (ii) grant Supplier a reasonable grace period of no less than 48 hours to rectify the findings. In the latter case, if Supplier fails to rectify the findings within the provided grace period, Company will be entitled to terminate with cause the PO, with immediate effect, in addition to any other available remedies.

The Supplier shall maintain complete and accurate records of all costs, expenditures, disbursements and other cost items charged to VWGSME or establishing the basis for an invoice and in respect to an Order, for a minimum of four (4) years from the date of final payment to the Supplier. All such records shall be clearly identifiable.

19. Data Protection

19.1 The Supplier will comply with all applicable requirements of the Data Protection Legislation in the local jurisdiction of operation and international including the European Union where applicable.

19.2 The Supplier will ensure adequate data protection provisions are complied with and that personal data is only processed for the purpose of fulfilling the terms of the contract.

19.3 Where the Supplier processes Personal Data the Supplier will ensure that a suitable data processing agreement or data sharing agreement (as applicable) is enacted. The Supplier will obtain the approval of VWGSME if they wish to process the data for any other purpose.

19.4 In all cases, where data is being processed, VWGSME will be named Data Controller (as defined in Data Protection Legislation) and the Supplier is the Data Processor.

19.5 The Supplier will not be entitled to appoint any third-party processor of Personal Data under this agreement without the express written consent of VWGSME.

19.6 The Supplier will not transfer any Personal Data outside of the local jurisdiction unless they obtain prior written approval from VWGSME.

19.7 In the event of breach or loss of personal data, the Supplier will inform VWGSME within 24 hours of the occurrence of the breach.

19.8 Upon termination or cessation of the contract, the Supplier agrees to delete all data unless there is a legal reason to retain, and process said data. Agreement to retain the data shall be sought from VWGSME prior to retention and processing.

20. Miscellaneous

20.1 In performing the services under the Order, the Supplier shall comply with at all times with all applicable laws in the territories in which the services are to be provided and shall have and maintain all needed permits and licenses for such services.

20.2 Supplier shall not assign, totally or partially, for any reason whatsoever and under any form whatsoever, its rights and obligations under this Agreement to any third party without VWGSME's prior written consent. VWGSME may assign all or part of its rights and obligations under the Agreement to any of its affiliates or entity within its Group companies, without Supplier's consent. Should the case arise, VWGSME will inform Supplier accordingly.

20.3 The language of the business relation is the English language.

20.4 Should a provision of these conditions be or become unenforceable, this will not affect the validity of the remaining provisions. The parties shall replace the unenforceable provision with a clause which comes as close as legally feasible to the unenforceable clause.

20.5. These conditions shall be governed by and interpreted in accordance within the laws of the UAE as applied in the Emirate of Dubai. The UN Convention on Contracts for the International Sale of Goods shall not apply.

20.6 Any dispute arising out of or in connection with Orders, being subject to these Conditions shall be referred to and be finally settled by arbitration to be conducted in Dubai, United Arab Emirates, pursuant to the rules of arbitration of the Dubai International Arbitration Centre. The arbitration shall be conducted by one (1) or more arbitrators. The language of the proceedings shall be English.