

VW CREDIT, INC.

STANDARD TERMS AND CONDITIONS OF PURCHASE

Effective January 1, 2023

These Standard Terms & Conditions of Purchase (“**Terms**”) shall govern the purchase of any Goods, Services and/or Goods and Services, as the case may be, by VW Credit, Inc. for itself and for the benefit and use of its Affiliates (collectively, “**VCI**”) from the supplier and/or its chosen Affiliates and agents participating in the performance of providing said goods and services (“**Supplier**”) pursuant to Purchase Orders, SOWs, formal Change Orders, and other executed documentation of any kind (collectively referenced herein as an “**Order**”). VCI and Supplier may each be referred to herein as a “**Party**,” and collectively as the “**Parties**.”

1. Defined Terms.

In addition to the defined terms as otherwise contained in these Terms and associated Orders, the following terms shall have the meanings herein specified unless the context otherwise requires. Defined terms herein shall include in the singular number, the plural, and in the plural, the singular.

- 1.1 “**Affiliate**” shall mean, with respect to any Party, any other Person directly or indirectly controlling (including without limitation all employees, directors and officers of such Person), controlled or under direct or indirect common control with such Party. A Person shall be deemed to control an entity if such Person possesses, directly or indirectly, the power to direct or cause direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise. The foregoing notwithstanding, a Subcontractor of Supplier is considered an Affiliate and shall be subject to all of the obligations of Supplier stated herein.
- 1.2 “**Business Day**” shall mean any day on which VCI is open for business. Unless otherwise stated, any references to a number of “days” shall mean calendar days.
- 1.3 “**Change Order**” shall mean the Parties’ mutual agreement on a Change (as defined below) to the Goods and/or Services provided under any Order.
- 1.4 “**Documentation**” shall mean any operator and user manuals, training materials, technical materials and other materials provided by Supplier.
- 1.5 “**Goods**” shall mean collectively or individually, the products, software, Licensed Software, Documentation, equipment, supplies and any other goods which VCI may purchase from Supplier under an Order.
- 1.6 “**License**” shall mean the transferable, nonexclusive, perpetual license granted to VCI by Supplier to use the Licensed Software and Documentation on the terms and conditions set forth in these Terms and the applicable Order. For the sake of clarification, any License granted pursuant to an Order under these Terms shall be granted to VCI and all of VCI’s Affiliates and internal organizational units shall have the right to use the License Software and Documentation on the terms and conditions set forth in these Terms and the applicable Order.

- 1.7 “**Licensed Software**” shall mean the software program(s) being licensed to VCI by Supplier, as identified on an applicable Order, including all updates, enhancements and error corrections of such program(s) that may be provided under these Terms.
- 1.8 “**Person**” shall mean any individual or joint venture, partnership, corporation or other business or legal entity.
- 1.9 “**Order**” shall mean all contracts, agreements, Purchase Orders, SOWs, formal Change Orders, and business relations of any kind between VCI and Supplier.
- 1.10 “**Personnel**” shall mean the officers, directors, agents and employees of any Party.
- 1.11 “**Purchase Order(s)**” shall mean any written, electronic or other order(s) issued by VCI to Supplier under the Order for the specific purchase of Goods or Services.
- 1.12 “**Services**” shall mean, collectively or individually, the services and tasks which Supplier will provide or render for or on behalf of VCI under the Order.
- 1.13 “**Statement of Work**” or “**SOW(s)**” shall mean a statement of work in the form attached hereto as **Exhibit A** that is entered into between the Parties and which shall set forth in detail the unique purchase requirements pursuant to which the Goods and/or Services shall be produced and rendered including without limitation the specifications, technical requirements, project milestones, delivery dates and Charges for the Goods and Services. SOWs may also contain service level agreements and other terms and conditions.
- 1.14 “**Third Person**” shall mean a Person, including its employees, contractors or agents that is not a Party to the Order.

2. Offer; Acceptance; Terms

- 2.1 General. Each Order incorporates by reference and is governed by these Terms. Each Order or revision thereof issued by VCI is an offer to the Supplier identified on the Order for the purchase of Goods and/or Services. When accepted, an Order supersedes all prior agreements, purchase orders, quotations, proposals and other communications regarding the Goods and/or Services covered by the Order, except that a prior agreement signed by an authorized representative of VCI will continue to apply. Supplier accepts an Order, including these Terms, and forms a contract by doing any of the following: (a) commencing any work under the Order; (b) accepting the Order in writing; or (c) any other conduct that recognizes the existence of a contract with respect to the subject matter of the Order. The Order does not constitute an acceptance of any offer or proposal made by Supplier. Any reference in the Order to any offer or proposal made by Supplier is solely to incorporate the description or specifications of Goods and/or Services in the prior proposal, but only to the extent that the description or specifications do not conflict with the description and specifications in the Order. Any additional or different terms proposed by Supplier, whether in Supplier’s quotation, acknowledgement, invoice or otherwise, shall be deemed a material alteration of these Terms, and are hereby objected to and rejected by VCI; provided, that any such proposal or attempted variance shall not operate as a rejection of the Order if Supplier accepts VCI’s offer by commencement of work, shipment of the Goods, acceptance of the Order in writing or by other means acceptable to VCI, in which case the Order shall be deemed accepted by Supplier without any additional or different terms or variations. Each Order is limited to and conditional upon Supplier’s acceptance of these Terms exclusively and, for the avoidance of doubt, expressly supersedes any click-through, click-on, “Screen Wrap,” and any other terms appearing on the face of Supplier’s invoice. An Order and these Terms, and any attachments thereto, shall be considered the complete agreement between VCI and Supplier with respect to the subject matter hereof and shall supersede any prior or contemporaneous agreements relating thereto. Any modification of these Terms must be expressly stated in the Order. Each Order can be modified only in accordance with the terms set forth herein. In the event of a conflict, a signed agreement shall take precedence over an Order, and an Order shall take precedence

over these Terms. References herein to “including” shall be deemed to mean “including, but not limited to,” or “including, without limitation” or such similar meaning.

2.2 Subcontractors. If Supplier engages Subcontractors to produce the Goods and perform the Services associated with the Order or other obligations to be performed by Supplier under the Order, Supplier will remain fully responsible for the work, activities and other obligations of its Subcontractors and will ensure that its Subcontractors perform the Work as authorized by and pursuant to their respective engagements with Supplier. Prior to engaging a Subcontractor, Supplier will notify VCI in writing and provide any information that VCI may reasonably request regarding such Subcontractor. If VCI does not object within thirty (30) days after receiving written notice and all requested information, Supplier may engage such Subcontractor. Supplier represents and warrants that any Subcontractor shall be subject to all of Supplier’s obligations, responsibilities and warranties under the relevant Order, and that Supplier will ensure the compliance of all Subcontractors with the terms of the Order for which the Subcontractor has been engaged (including these Terms and ensuring that all Subcontractors comply with the insurance requirements and Personnel documentation and other work eligibility and qualification provisions set forth in these Terms). VCI reserves the right to check at any time the qualifications and performance of any Personnel of Supplier or its Subcontractors. For purposes of these Terms, "**Subcontractor**" refers to an independent Third Person of any tier engaged, either directly by VCI or indirectly through another independent Third Person, to produce Goods and/or perform Services associated with the Order or other obligations to be performed by Supplier under the Order.

2.3 Conduct; Safety; Removal. While at a VCI facility, Supplier shall be responsible for its Personnel, Subcontractors and Affiliates. Supplier and its Personnel, Subcontractors and Affiliates will conduct themselves (including wearing attire acceptable to VCI) in a business-like and professional manner and will comply with VCI’s reasonable requests, rules and regulations, including with respect to personal conduct, safety, including the wearing of protective clothing or gear if applicable, parking, building access, identification badges, and security rules and regulations. VCI shall further have the right to require, at Supplier’s expense, health, safety, or other testing to prove, in writing, the fitness of Supplier’s employees to enter into VCI’s premises. In addition, VCI may, on giving written notice to Supplier, and at no cost to VCI, require the immediate removal of any individual or Subcontractor who has violated any safety or security rules or regulations, or any other policies or procedures, of which VCI has made Supplier aware, or violated any laws or regulations in the course of performing services under the Order or breached any of the provisions of the Order and/or these Terms. Supplier shall take all appropriate measures to verify that all Personnel performing services at a VCI facility are legally eligible to work in the United States and Virginia and/or any other state in which such Personnel perform services. If Supplier provides Services at a VCI facility, Supplier will examine the facility to determine whether the facility is safe for the Services and will advise VCI promptly of any situation it deems to be unsafe. Supplier shall be solely responsible for, and VCI shall have no liability for, any loss, expense, damage or claim arising out of, or in connection with, the performance of Services at a VCI facility.

3. **Goods and Services**

3.1 Goods and Services. VCI may, during the Term of the Order, purchase the Goods and Services as described in the applicable Order. VCI shall have no obligation to purchase all of its requirements for the Goods and Services from Supplier and the Order shall not be deemed to be a requirements contract. Supplier shall produce the Goods and perform the Services as ordered by VCI in accordance with the Order and shall, unless otherwise provided in the Order, provide and pay for labor, materials, equipment, tools, utilities, transportation, and other facilities and services necessary for proper execution of Supplier’s obligations under the Order, whether temporary or permanent and whether or not incorporated or to be incorporated into the Goods and Services. Supplier shall keep the Goods and Services, as well as VCI’s Facility and any other property leased or owned by VCI, free and clear of any and all liens, encumbrances and claims arising out of or relating to the Order. Supplier shall not fabricate or ship any Goods or provide any Services except to the extent authorized in VCI’s written Orders.

- 3.2 Changes. VCI may at any time require Supplier to implement changes to an Order, SOW, Purchase Order, the Goods, or to the scope of any Services or Work covered by these Terms (“**Change(s)**”). Supplier agrees that it shall make no change which affect the function or performance of any Goods or Services without VCI’s prior written consent and execution of a writing setting forth such Change(s).
- 3.3 Shipping, Risk of Loss and Title. VCI requires that Supplier ship Goods DDP VCI’s designated Facility. Shipping, including carriage, shall be arranged by Supplier. Except as otherwise stated in the Order, Incoterms 2010 shall apply to all shipments. Notwithstanding anything to the contrary, unless specified in the Order, title and risk of loss or damage to the Goods shall pass to VCI upon delivery, without prejudice to VCI’s rights to reject or return Goods pursuant to the Terms.
- 3.4 Packing. VCI will hold Supplier responsible for, and Supplier represents and warrants that Goods shall be properly, safely and carefully packed, prepared, secured and stowed for shipment, including loading, unloading, handling, storing, carrying, keeping, caring for, protecting and transporting the Goods, from the point of shipment until they reach and are accepted by VCI at its final destination. Without any limitation or waiver of any rights, VCI may require Supplier, at Supplier’s expense, to ship Goods express, by air or by any special method if Supplier fails to meet the delivery requirements of the Order. Damaged Goods will be returned to Supplier at Supplier’s expense.
- 3.5 Acceptance of Goods and Services. Except as otherwise stated in the Order, acceptance by VCI of Goods or Services shall occur when the Goods have been satisfactorily delivered, inspected, and installed, or the Services have been fully performed, and the Goods and Services meet all applicable performance criteria set forth in the Order. VCI’s payment of any invoice shall not be deemed to be acceptance of the Goods or Services, and its acceptance of the Goods or Services shall not be construed as evidence that the Goods or Services do, in fact, conform in all respects with the Goods and Services requirements set forth in the Order, or as a waiver of Supplier’s warranty obligations as contained herein.
- 3.6 Customs Related Matters. Credits or benefits resulting from the Order, including trade credits, export credits, or the refund of duties (including duty drawback), taxes, or fees, belong to VCI. Supplier, as identified in the Order, shall provide all information and certificates (including FTA certificates and USMCA Certificates of Origin) necessary to permit VCI to receive these benefits or credits. Supplier agrees to notify VCI of any Goods or Services which are subject to United States or any other country’s import or export laws and to fulfill any customs, FTA, or USMCA related obligations, origin marking, or labeling requirements, and local content origin requirements. Supplier shall notify VCI in writing of any Goods subject to U.S. export laws and regulations, including any changes to local, state or FTA or USMCA content, which in each case are subject to VCI approval. Export licenses or authorizations necessary for the export of Goods are Supplier’s responsibility unless otherwise stated in the Order, in which case Supplier shall provide the information necessary to enable VCI to obtain the licenses or authorizations. Supplier shall promptly notify VCI in writing of any material or components used by Supplier in filling the Order that Supplier purchases in a country other than the country in which the Goods are delivered. Supplier shall furnish any documentation and information necessary to establish the country of origin or to comply with the applicable country’s rules of origin requirements. Supplier shall promptly advise VCI of any material or components imported into the country of origin and any duty included in the Goods’ purchase price. If Goods are manufactured in a country other than the country in which Goods are delivered, Supplier shall mark Goods “Made in [country of origin].” Supplier shall provide to VCI and the appropriate governmental agency the documentation necessary to determine the admissibility and the effect of entry of Goods into the country in which Goods are delivered. This shall include supporting documentation required by Customs and Border Protection and any other governmental agencies, including, without limitation, the United States Department of Transportation (DOT), Environmental Protection Agency (EPA), and Food and Drug Administration (FDA). Supplier warrants that any information that is supplied to VCI about the import or export of Goods is true and that all sales covered by the Order will be made at not less than fair value under the anti-dumping laws of the countries to which the Goods are exported. To the extent any Goods covered by the Order are to be imported into the United States of America, Supplier shall comply with all applicable recommendations or requirements of the Bureau of Customs and Border

Protection's Customs-Trade Partnership Against Terrorism ("C-TPAT") initiative. Upon request, Supplier shall certify in writing its compliance with the C-TPAT initiative and shall provide any supporting documentation requested by VCI and/or the Bureau of Customs and Border Protection.

3.7 Time and Quantity of the Essence. Time and quantity are of the essence. Supplier shall promptly notify VCI in writing of any and all events which could affect the obligation of Supplier to make deliveries of Goods and/or Services at specified times or in specified quantities and of corrective measures that Supplier shall implement to comply with Supplier's obligations under the Order.

4. **Charges and Payment**

4.1 Charges. VCI shall pay Supplier the purchase prices and/or service fees (collectively, the "**Charges**") for the Goods and Services set forth in the applicable SOWs and Orders. In addition to any right of setoff or recoupment provided by law, VCI may set off and recoup against its accounts payable to Supplier any amounts for which Supplier or Supplier's Affiliates is liable to VCI under any order or agreement with Supplier or Supplier's Affiliates. Supplier assumes the risk of events or causes affecting prices including without limitation foreign exchange rates, increases in raw material costs, inflation, increases in labor and other production and supply costs.

4.2 Taxes. VCI shall not be liable for any federal, state, local or foreign taxes unless separately stated in the Order and billed as a separate line item. VCI shall not be responsible for any taxes based on Supplier's income or its business operations including without limitation employment taxes, income taxes or license taxes. Supplier agrees to provide VCI with documents that shall be required to obtain any applicable exemption, credit, rebate, remission, refund, reduction or other relief from taxes or foreign tax credit. VCI is authorized to deduct or withhold from each payment to Supplier all taxes which VCI is required by law to deduct or withhold and to pay the amount withheld or deducted to the relevant tax authorities.

4.3 Invoices and Payment. Supplier shall issue individual invoices for each Service delivered and each shipment of Goods delivered. Invoices must contain the Order number, if any, and description of Goods and/or Services. Except as otherwise stated in the Order, VCI shall pay the Charges set forth in non-disputed invoices within sixty (60) days of the date such invoices are received by VCI. In the event of any delay in receiving an invoice, or any error or omissions in any invoice, VCI may withhold payment without losing its rights to applicable cash discounts. Except as otherwise stated in the Order, all payments will be in U.S. Dollars. Supplier agrees to accept payment by electronic funds transfer or by check mailed on or before the due date unless otherwise expressly agreed by VCI. Unless an Order expressly states otherwise, all reimbursable expenses and other charges will be billed by Supplier without any markup or administrative fee.

4.4 Audits. At VCI's request, Supplier will allow VCI or its designated representatives to audit its or its Subcontractors' books, records, and other information relating to the Order to the extent necessary to verify Supplier's compliance with completed and current Orders, including the accuracy of any Charges. Supplier will cooperate with and comply with all reasonable requests from VCI or its designated representatives in connection with such audit. Supplier shall maintain its books, records and other information relating to the Order for at least seven (7) years after the Termination Date.

5. **Licensing**

5.1 License Grant. Supplier grants to VCI the License to use the Licensed Software and Documentation pursuant to these Terms. VCI may: (a) install, use and execute the Licensed Software, and no additional fees or Charges shall be due or owed to Supplier in the event that VCI installs, uses or executes the Licensed Software outside of the United States; (b) make copies of the Licensed Software for backup and archival purposes only, provided that Supplier's copyright and other proprietary legends are reproduced on each copy; notwithstanding the foregoing, during the testing of VCI's disaster recovery system at reasonable intervals, VCI may make necessary copies of the

Licensed Software and run the Licensed Software in connection with such tests, concurrently with using the Licensed Software in production; (c) make copies of the Licensed Software's Documentation for VCI's use in accordance with these Terms; and (d) access and use the Licensed Software for all such uses and applications as may be necessary or useful for the effective use of the Licensed Software pursuant to the terms and conditions hereunder, including for purposes of analysis, development, configuration, integration, testing, training, maintenance, support and repair, which access and use will be without Charge and not included for any purpose in any calculation of VCI's use of the Licensed Software, including without limitation for purposes of assessing any Charges or other consideration payable to Supplier.

6. Confidentiality

6.1 **Confidential Information.** All non-public, confidential or proprietary information of VCI, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by VCI to Supplier, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with these Terms is confidential, for Supplier to use solely for the purpose of performing under these Terms, and may not be disclosed or copied by Supplier unless authorized in advance by VCI in writing. Upon VCI's request, shall promptly return all documents and other materials received from VCI. VCI shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Supplier at the time of disclosure; or (c) rightfully obtained by Supplier on a non-confidential basis from a third party.

7. Warranties

7.1 **Supplier General Representations and Warranties.** Supplier represents and warrants that: (a) it is a corporation or other entity duly incorporated or organized, validly existing, and in good standing under the Laws of the state of incorporation or organization; (b) it has all requisite power and authority to execute, deliver and perform its obligations under the Order; and (c) the execution, delivery and performance of the Order has been duly authorized by Supplier.

7.2 **Goods Warranty.** Supplier warrants to VCI that for a period of twelve (12) months (the "**Warranty Period**") that: (a) the Goods will be produced and delivered in strict accordance with the terms and requirements set forth in the Order, be free of defects in design, materials and workmanship, be merchantable and be fit and sufficient for the particular purpose intended by VCI and shall conform in all material respects to all applicable Laws and regulations in force at the time the Goods are produced, (b) the documentation provided by Supplier shall be correct, free from defects and in sufficient detail to permit VCI to properly and safely operate and maintain the Goods, (c) the Goods shall perform in accordance with the performance requirements set forth in the Order, (d) that Supplier has the expertise and resources necessary to produce and deliver the Goods in accordance with the requirements and specifications (including timeframes) set forth in the Order, including without limitation the SOW, (e) the Goods will not infringe or misappropriate any third party's patent or other intellectual property rights, (f) Supplier will not employ children, prison labor, indentured labor, bonded labor, or use corporal punishment or other forms of mental and physical coercion as a form of discipline, and (g) that, as applicable, Supplier is familiar with the condition of the facility and other conditions under which the Goods will be used, including without limitation the prevailing weather conditions, and Supplier agrees that such conditions will not affect the use of the Goods in accordance with all the requirements and specifications (including timeframes) set forth in the Order (the "**Goods Warranty**"). If VCI gives Supplier notice of noncompliance of the Goods Warranty during the Warranty Period, Supplier shall, at its own cost and expense, promptly replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Supplier and the delivery of repaired or replacement Goods to VCI.

7.3 Services Warranty. Supplier represents and warrants to VCI (a) that all Services will be performed in a prompt, professional and workmanlike manner in accordance with the requirements and specifications (including timeframes) set forth in the Order, including without limitation the SOW, and otherwise in accordance with industry standards and will conform in all material aspects with all applicable laws and regulations in force at the time the Services are performed, (b) that Supplier has the expertise and resources necessary to undertake and complete the Services in accordance with the requirements and specifications (including timeframes) set forth in the Order, including without limitation the SOW, and (c) that Supplier is familiar with the condition of the facility and other conditions under which the Services will be performed, including without limitation the prevailing weather conditions, and Supplier agrees that such conditions will not affect the performance of all Services in accordance with all the requirements and specifications (including timeframes) set forth in the Order, and (d) the performance of the Services do not and will not infringe, violate or misappropriate any third party's patent or other intellectual property rights (collectively, "**Services Warranty**"). Promptly after VCI provides written notice to Supplier of any non-conformance of the Services to the Services Warranty, Supplier shall, at VCI's option, and without any additional Charge or other expense to VCI, either: (i) re-perform any Services to alleviate the nonconformance within 10 days or such other time period mutually agreed in writing by the parties; or (ii) refund the Charges applicable to such non-conforming Services.

7.4 Remedies. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods and Services by VCI. The warranties set forth in this Section are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of VCI's discovery of the noncompliance of the Goods or Services with the foregoing warranties. If VCI gives Supplier notice of noncompliance pursuant to this Section, Supplier shall, at its own cost and expense, promptly (i) replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Supplier and the delivery of repaired or replacement Goods to VCI, and, if applicable, (ii) repair or re-perform the applicable Services.

8. **Indemnification**

8.1 General Indemnification. Supplier shall, at its expense, defend, indemnify and hold harmless VCI and VCI's Affiliates, subsidiaries, successors or assigns and their respective directors, officers, shareholders, agents and employees (collectively, the "**VCI Indemnitees**") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**") arising out of or occurring in connection with the Goods and Services or Supplier's negligence, willful misconduct or breach of the Terms. Supplier shall not enter into any settlement with respect to such Losses without VCI's prior written consent.

8.2 VCI Premises Indemnification. Supplier will defend, hold harmless, and indemnify the VCI Indemnitees from and against any Losses liability, claims, demands, damages, costs or expenses (including, without limitation, reasonable attorney and other professional fees and disbursements) arising from or in connection with the performance of any Service or work by Supplier or its employees, agents, representatives and Subcontractors on VCI's or VCI's customer's premises, or the use of the property of VCI or any customer of VCI, except to the extent such liability arises out of the negligence or willful misconduct of VCI or VCI's customer. Supplier shall not enter into any settlement with respect to such Losses without VCI's prior written consent.

8.3 Intellectual Property Indemnification. Supplier shall, at its expense, indemnify, defend, and hold harmless the VCI Indemnitees from any claims made against the VCI Indemnitees against Losses or lawsuits alleging that the Goods or Services provided hereunder infringe a Third Person's copyright, patent, trademark, trade secret or other intellectual property or proprietary right ("**Intellectual Property Claim**"). VCI shall notify Supplier promptly in writing and furnish Supplier with such information and assistance as Supplier may reasonably request to evaluate the Intellectual Property Claim. Supplier shall then, at its own expense and option, either (i) settle the Intellectual

Property Claim, or (ii) procure for VCI and its Affiliates, as applicable, the right to use the alleged infringing Good or Service, or (iii) replace or modify the alleged infringing Good or Service in order to avoid the Intellectual Property Claim, or (iv) remove the alleged infringing Good or Service and refund the Charges (including transportation costs) paid by VCI and its Affiliates, as applicable, to Supplier less a reasonable amount directly proportionate to VCI's, and its Affiliates', as applicable, actual usage of the infringing Good or Service, or (v) litigate the Intellectual Property Claim; provided, however, prior to Supplier taking any of the foregoing responses, the Parties shall meet to discuss the action or actions which Supplier proposes to take in response to the Intellectual Property Claim. If the Parties are unable to agree upon the action or actions to take in response to the Intellectual Property Claim, VCI may, at its sole option and without liability, elect to terminate the Order, or any part thereof, as to any alleged infringing Good or Service upon five (5) days prior written notice to Supplier. Regardless of Supplier's response to the Intellectual Property Claim or VCI's election to terminate the Order, or any part thereof, as to any alleged infringing Good or Service, Supplier shall remain obligated to defend the Intellectual Property Claim and to pay any final judgments awarded against Supplier and/or VCI and its Affiliates, as applicable, based upon the Intellectual Property Claim.

9. Liability Limitation; Force Majeure

9.1 Excluded Damages. VCI SHALL NOT BE LIABLE FOR, AND SUPPLIER HEREBY WAIVES ANY RIGHT TO, ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS, LOST FEES, LOST BUSINESS, LOSS OF USE, COSTS ASSOCIATED WITH BUSINESS INTERRUPTIONS OR LIKE DAMAGES (THE "**EXCLUDED DAMAGES**"), WHETHER BASED UPON CONTRACT, TORT OR ANY OTHER LEGAL THEORY, RESULTING FROM OR IN ANY WAY CONNECTED WITH THE PERFORMANCE BY EITHER PARTY OF THEIR RESPECTIVE OBLIGATIONS UNDER THE ORDER. VCI SHALL NOT BE LIABLE TO SUPPLIER FOR THE EXCLUDED DAMAGES, WHETHER FORESEEABLE OR NOT, AND EVEN IF VCI HAS BEEN ADVISED OR OTHERWISE HAS KNOWLEDGE OF THE POSSIBILITY OF THE EXCLUDED DAMAGES. Notwithstanding anything to the contrary in these Terms or any Order, the limitations of liability and exclusions of certain types of damages contained in this Section do not apply to claims and Losses caused by or arising in connection with: (a) Supplier's repudiation of these Terms (including any Order), or willful abandonment of any significant portion of the Services, (b) claims, including Intellectual Property Claims, subject to, and amounts payable pursuant to, the indemnification obligations of a party, (c) the breach by either party or its Affiliates, and in the case of Supplier, its subcontractors or Supplier Personnel, of the confidentiality obligations hereunder, (d) the gross negligence or willful or reckless acts or omissions of either party or its Affiliates, and in the case of Supplier, its subcontractors or Supplier Personnel, and (e) claims for damage, loss (including theft) or destruction of any real or tangible personal property, or bodily injury or death, caused by the negligent, willful or reckless acts or omissions of or by either party or its Affiliates and, in the case of Supplier, its subcontractors or Supplier Personnel.

9.2 Force Majeure. Any delay or failure of either Party to perform its obligations will be excused if and to the extent that the Party is unable to perform due to an event or occurrence beyond its reasonable control, including without limitation: acts of God, restrictions, prohibitions, priorities or allocations imposed or actions taken by a governmental authority, embargoes, fires, floods, earthquakes, explosions, pandemics, natural disasters, riots, wars, terrorism, inability to obtain power, or court injunction or order (each, a "**Force Majeure Event**"). As soon as practicable after the occurrence of such Force Majeure Event, the affected Party shall provide written notice describing such delay to the other Party and shall use its best efforts to mitigate such Force Majeure Event. Supplier's inability to perform as a result, or delays caused by, Supplier's insolvency or lack of financial resources is deemed to be within Supplier's control for purposes of this Section. The change in cost or availability of materials or components based on market conditions, contract disputes, or any labor strike or other labor disruption applicable to a Party or any of its Subcontractors or suppliers, will not excuse such Party's performance under this Section.

10. Insurance

10.1 Required Insurance. Supplier will obtain and maintain, at its expense, and will require all Subcontractors that it uses to provide the Services to obtain and maintain similar insurance, at their expense, throughout the Term of the Order and each SOW term, the following types of insurance (which must be primary over all other insurance maintained by VCI except to the extent claims arise as a result of the sole or contributory negligence of VCI) with the respective limits of not less than the minimum amounts set forth in this Section, and will furnish Supplier, within a reasonable period of time following the execution of the Order and on each policy renewal date, with certificates of insurance issued by insurance companies having a Best financial rating of "A-" or better as evidence of the required insurance. The Commercial General Liability policy shall list VCI, its parent and Affiliates, as additional insureds, as its interests appear.

- i) Commercial General Liability insurance, including completed operations coverage, products liability coverage, broad form of property damage and contractual liability coverage, and Supplier's contractual liability assumed under these Terms with limits of liability of not less than \$1,000,000 per occurrence, \$1,000,000 aggregate (completed operations/products liability coverage) and \$1,000,000 general aggregate.
- ii) Motor Vehicle Liability insurance covering owned, non-owned and leased vehicles, with limits of liability of not less than \$1,000,000 combined single limit per occurrence.
- iii) Workers' Compensation insurance, including coverage for all costs, benefits, and liabilities under Workers' Compensation and similar laws which may accrue in favor of any person employed by Supplier, for all states in which the Services are to be performed.
- iv) Employer's Liability insurance, with limits of liability of not less than \$100,000 per accident or disease (each employee) and \$1,000,000 aggregate by disease.

10.2 General. The procurement, maintenance or limits of coverage set forth in these Terms, or the approval by VCI of any insurance company or the failure to object to a late certificate, will not relieve Supplier of any liability contained in these Terms for claims or losses in excess of such limits. If there is a material change in or cancellation of any insurance required by these Terms, then Supplier will use commercially reasonable efforts to provide VCI with notice thereof in accordance with the terms of such insurance.

11. Intellectual Property

11.1 Intellectual Property Representations. Supplier hereby represents and warrants to VCI that it owns all rights in (or has obtained all rights necessary to license or otherwise furnish to VCI) the Goods and Services (including software, microcode, and other intellectual property of any sort) provided to VCI under the Order. Each Party shall retain all right, title and interest in and to all of its intellectual property and other proprietary information including without limitation trademarks, copyrights, writings, icons, layouts, original artwork and original practice, including any modifications, enhancements and/or other derivative works of such Party's intellectual property or other proprietary information that may arise as a result of the Order or the production of the Goods. All intellectual property and other proprietary information now or hereafter (i) owned by VCI, (ii) acquired by Supplier under this Order for which VCI has agreed to reimburse or has reimbursed Supplier, or (iii) furnished by VCI to Supplier in connection with the production of the Goods or the performance of the Services under the Order (the "**VCI Intellectual Property**") shall remain VCI's exclusive property and may only be used by Supplier in the performance of its duties under the Order. All "Work Product" (as defined below) shall be the exclusive property of VCI. Each Work Product shall be deemed to be a work-made-for-hire under the copyright laws of the United States. To the extent that any Work Product does not constitute a work-made-for-hire, Supplier and its Subcontractor(s) hereby assign to VCI, and its Affiliates as directed by VCI, at the time of creation, all right, title, and interest in and to Work Product,

including any and all copyrights, patents, trade secrets, trademarks and other proprietary rights it may have. Supplier shall, during and after the term of the Order, assist VCI in every reasonable way to secure, maintain and defend for the benefit VCI all copyrights, patents, trade secrets, trademarks, or other intellectual property or proprietary rights in and to the Work Product, including without limitation the completion of any paperwork reasonably requested by VCI. To the extent necessary for VCI to operate or use the Work Product, Supplier (and to the extent necessary, its Subcontractor(s)) shall and hereby do grant to VCI a royalty-free, worldwide, perpetual, irrevocable license (with the right to sublicense to any Affiliate) to use, copy and distribute, and create or develop derivatives or improvements of, any Supplier Tools. “**Work Product**” means everything delivered to VCI or its customer or client by Supplier under the Order, including without limitation all notes, reports, documentation, computer programs in object code and fully-commented source code form, or other literary works; all graphical works; all inventions, formulae, designs, processes, devices and any improvements on any of them; and any and all software, code, tools, materials, or other information arising or resulting from or developed by Supplier in the performance of Services under the Order.

11.2 Names and Trademarks. Neither Party shall acquire, by reason of the Order, any right, title or interest in or to the other Party’s names, trade names or trademarks.

12. Term of the Order and Termination

12.1 Term of the Order. Except as otherwise expressly stated in the Order, the term of the Order will begin on the date it is signed by the last party (the “**Effective Date**”) and end on the second anniversary of the Effective Date (the “**Termination Date**”), unless extended or earlier terminated in accordance with these Terms. If not terminated, the Order shall be automatically renewed and extended for up to two consecutive one year renewal terms (each, a “**Renewal Term**”), unless either party sends to the other party a notice of non-renewal at least ninety (90) days prior to the expiration of the Term or any then-current Renewal Term.

12.2 Termination Without Cause. VCI may terminate the Order without cause at any time after the Effective Date, without penalty and liability, upon 30 days’ prior written notice to Supplier. Upon termination by VCI under this Section 12.2, VCI will be obligated to pay only the following without duplication: (i) the Order price for all finished Goods and Services in the quantities ordered by VCI that conform to the Order and are delivered to and accepted by VCI for which Supplier has not been paid, and (ii) Supplier’s reasonable actual cost of carrying out its obligation under these Terms. VCI will have no obligation for and will not be required to pay Supplier, directly or on account of claims by Subcontractors, for lost profits, lost fees, lost business, loss of use, costs associated with business interruptions, unabsorbed overhead, interest on claims, product development or engineering costs, facilities or equipment rearrangement costs or rental, unamortized capital or depreciation costs, finished goods, work-in-process or raw materials that Supplier fabricates or procures in amounts exceeding those authorized in the Order, or general administrative burden charges from termination of the Order, except as otherwise expressly stated in a separate Order issued by VCI. VCI’s obligation for any Supplier claims related to termination will not exceed the obligation VCI would have had to Supplier in the absence of termination. Supplier will furnish to VCI, within one month after the date of termination, its termination claim, which will consist exclusively of the claims eligible for reimbursement by VCI to Supplier that are expressly permitted by this Section. VCI may audit Supplier’s records before or after payment to verify amounts requested in Supplier’s termination claim.

12.3 Termination for Cause. Either Party (the “**Non-Defaulting Party**”) may terminate the Order if the other Party (the “**Defaulting Party**”) breaches any of its material duties or material obligations under the Order or these Terms and such breach is not cured, at its expense, within thirty (30) days) after receiving written notice thereof, (the “**Default Notice**”). The Default Notice shall specify (i) the default(s) in reasonable detail, (ii) the action necessary to cure the default(s), and (iii) the cure period within which the Defaulting Party must cure the default(s), which cure period shall not be less than thirty (30) days for a payment default, and ten (10) days for a performance default (the “**Cure Period**”). If the Defaulting Party cures the default(s) within the applicable Cure Period to the reasonable satisfaction of the Non-Defaulting Party, the Non-Defaulting Party will rescind the Default Notice. If the Defaulting Party does

not cure the default(s) during the applicable Cure Period, at the option of the Non-Defaulting Party, the Order will terminate as of the close of business on the last day of the applicable Cure Period or on such later date as determined by the Non-Defaulting Party. Upon written notice of termination by VCI, Supplier shall promptly return all amounts previously paid to Supplier by VCI for the Goods (if any) and, in addition to any other damages, VCI shall be entitled to, and Supplier shall pay to VCI, damages equal to (i) all costs incurred by VCI in connection with the manufacturing of the Goods for the Order, including without limitation training, systems programming, site preparation, cost of supplies and facilities, excepting only such costs as are included in the price of substitute goods obtained from any other manufacturer and, (ii) the difference in price between the Goods to be delivered hereunder and substitute goods.

12.4 Termination for Insolvency. VCI may immediately terminate any Order upon written notice to Supplier, if Supplier: (i) provides VCI grounds for insecurity; (ii) files for bankruptcy; (iii) becomes or is declared insolvent or is the subject of any proceedings (not dismissed within thirty (30) days) related to its liquidation or insolvency, or a receiver or similar officer has been appointed for Supplier in connection with such proceedings; (iv) makes an assignment for the benefit of all or substantially all of its creditors; or (v) enters into an agreement for the composition, extension or readjustment of substantially all of its obligations. Supplier shall notify VCI promptly of any actual or threatened occurrence of any event described in this Section 13.4 or any other event that could reasonably be expected to materially affect in an adverse manner, Supplier's ability to fully perform its obligations to VCI under any Order.

12.5 Termination Obligations

Upon receipt of written notice of termination, and unless otherwise directed by VCI, Supplier will at no additional cost to VCI: (a) promptly terminate all work under the Order on the effective date of termination; (b) transfer title and deliver to VCI the finished Goods, the work in process, the parts and materials that Supplier reasonably produced or acquired according to quantities ordered by VCI and that Supplier cannot use in producing goods for itself or for others, together with all information and materials related to or otherwise used in connection with the Order, including without limitation packaging, documents, standards, databases, specifications, drawings, manufacturing processes or any other items of value (collectively, "**VCI's Property**"); (c) prior to allocating any amounts received by VCI to any other source, Supplier shall upon termination for any reason, first verify and settle any claims by Subcontractors for actual costs incurred directly as a result of the termination; (d) take actions reasonably necessary to protect property in Supplier's possession in which VCI has an interest until disposal instruction from VCI has been received; and (e) cooperate with VCI and its designees and provide the Services reasonably requested by VCI or its designees to allow VCI's business operations to continue without material interruption or adverse effect, including with respect to VCI's new supplier. Effective immediately upon termination and without further notice or legal action, VCI may enter Supplier's premises and take possession of all of VCI's Property. VCI may direct that VCI's Property be immediately released to VCI or delivered by Supplier to VCI in accordance with Article 4. VCI shall have no liability with respect to any of VCI's Property until such property is in the actual possession of VCI.

12.6 Transition Assistance. In addition to the Termination Obligations set forth in this Section 13, upon expiration or termination of the Order for any reason, Supplier shall, at VCI's request and at the original contract price and subject to these Terms, provide transition assistance services as reasonably requested by VCI for a period of up to ninety (90) days after the Termination Date (the "**Transition Assistance Period**"). During the Transition Assistance Period, Supplier shall provide transition assistance in order to facilitate the orderly transfer of responsibility for the Goods and Services then being provided by Supplier to VCI or its designees. To the extent applicable, Supplier shall not degrade the quality and level of performance of the Goods and/or Services during the Transition Assistance Period as compared to the quality and level of such Goods and/or Services prior to the Termination Assistance Period.

12.7 Survival of Certain Provisions. The provisions of the Order and these Terms that by their nature should survive any termination of the Order, and will survive such termination and any transition assistance period, if requested.

13. Miscellaneous

13.1 Publicity. Supplier shall not use VCI's name, trademarks or service marks or refer to VCI in any media release, promotional or marketing materials, customer list, business presentation or other public disclosure relating to these Terms or its subject matter without first obtaining the prior written consent of a duly authorized representative of VCI in each instance, which consent may be withheld in VCI's sole discretion.

13.2 Notices. All consents, notices, requests, demands, and other communications required or permitted to be given or delivered under the Order will be written and deemed to have been given when received by the designated person. Written notice under this Section 14.2 may be delivered in person or sent by reputable air carrier service or certified mail, postage prepaid, with a confirmable means of delivery, and addressed as set forth below:

If to VCI: VW Credit, Inc.
2200 Woodland Point Avenue
Herndon, VA 20171
Attention: [Insert Title of VCI Person; Director Level or Above]

With a Copy to: VW Credit, Inc.
2200 Woodland Point Avenue
Herndon, VA 20171
Attention: Office of General Counsel

If to Supplier: [insert Supplier's Name and Address/Attention using format above]

13.3 Assignment. VCI may assign its rights and obligations under these Terms without Supplier's prior written consent. Supplier may not assign or delegate its rights or obligations under these Terms without prior written consent from an authorized representative of VCI. In the event of any approved assignment (including without limitation subcontract), sale or delegation authorized by VCI, Supplier retains all responsibility for the Goods and Services, including all related warranties and indemnification obligations stated in these Terms, unless otherwise expressly agreed in writing by VCI.

13.4 Exclusivity. The Order does not set forth an exclusive arrangement between VCI and Supplier. VCI shall have no minimum purchase, minimum license, or minimum lease requirements hereunder, and shall be entitled, in its sole discretion, to purchase, license and/or lease similar Goods and Services from any Third Person.

13.5 Relationship of the Parties. Supplier, in furnishing Goods and Services to VCI under the Order, is acting only as an independent contractor. Except as otherwise stated in the Order, Supplier does not undertake to perform any obligation of VCI, whether regulatory or contractual, or to assume any responsibility for VCI's business or operations, and Supplier has the sole right and obligation to supervise, manage, contract, direct, procure, perform or cause to be performed, all work to be performed by Supplier. In no event will VCI be deemed to be an employer or co-employer of any Personnel of Supplier and the Order may not otherwise be construed to create a partnership or joint venture relationship between the Parties.

13.6 Modification; Waiver. Except as otherwise set forth herein, the Order may be modified only by a written instrument duly executed by the Parties. No delay or omission by either Party to exercise any right or power under the Order will impair such right or power or be construed to be a waiver of the right or power. A waiver by either Party of

any of the obligations to be performed by the other Party or any breach thereof will not be construed to be a waiver of any succeeding breach thereof or of any other obligation contained in the Order.

- 13.7 Amendments. These Terms may be amended from time to time by VCI, at VCI's sole discretion. Any amendments to these Terms shall be posted at VCI's Website from time to time and the Parties agree they shall be effective on the day of posting. No other notice shall be given, and Supplier has the obligation to check VCI's Website for any such amendments.
- 13.8 Travel Expenses. VCI will reimburse Supplier for travel and travel related expenses actually incurred in connection with the performance of its obligations under the Order pursuant to the terms of the then current VCI Travel and Expense Policy posted at VCI's Website. Unless specified to the contrary in an Order, all travel and travel related expenses will be without any markup or administrative fee.
- 13.9 Severability. If any term of the Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, the term will be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with applicable law. The remaining provisions of the Order will remain in full force and effect.
- 13.10 Governing Law; Jurisdiction. An Order will be governed by the laws of the Commonwealth of Virginia and the United States of America. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another choice of law are excluded. With respect to any action, litigation or proceeding of any kind whatsoever arising out of, or in connection with, these Terms, each party irrevocably submits to the exclusive jurisdiction of and venue in the state and federal courts within the jurisdiction of the Federal District Court for the Eastern District of Virginia.
- 13.11 Waiver of Jury Trial. VCI AND SUPPLIER ACKNOWLEDGE THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH OF VCI AND SUPPLIER, AFTER CONSULTING (OR HAVING THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THESE TERMS OR ANY ORDER.
- 13.12 Cumulative Remedies. The rights and remedies reserved to VCI by these Terms are cumulative with, and in addition to, all other or further remedies provided in law or equity.
- 13.13 Entire Agreement. Except as otherwise expressly stated in a writing signed by both Parties, the Order, together with the attachments, exhibits, specifications, supplements or other terms of VCI specifically referenced therein, and these Terms, constitute the final, entire, and exclusive agreement between the Parties with respect to the subject matter hereof.
- 13.14 No Modification. No supplement, alteration, amendment, modification or change of these Terms or any Order is valid or binding unless in writing and signed by an authorized representative of the party to be bound. Any provisions and conditions on proposals, quotations, invoices, order acknowledgements, sales confirmations, delivery receipts, packing slips or other documents received by VCI from Supplier, in writing, electronically or otherwise, will not have any force or effect between the parties, even if VCI signs or accepts such documents. VCI's payment of an invoice does not constitute an agreement to the content of the invoice.
- 13.15 Claims by Supplier. Any legal action or arbitration proceeding by Supplier under any Order must be commenced no later than one (1) year after the breach or other event giving rise to Supplier's claim occurs, or Supplier becomes aware of the existence (or facts and circumstances giving rise to the existence) of such claim, whichever occurs first.

- 13.16 Battle of the Forms Not Applicable. The Parties have agreed and it is their intent that the battle of the forms described in Section 2-207 of the Uniform Commercial Code shall not apply to these Terms or to any invoice or acceptance form of Supplier relating to these Terms. It is the Parties' intent that these Terms shall exclusively control the relationship of the Parties, and in the event of any inconsistency between any invoice or acceptance form sent by Supplier to VCI and these Terms, these Terms shall control.
- 13.17 Remedies Cumulative. All rights and remedies set forth in these Terms are in addition to rights and remedies available to VCI at law or in equity. Each of the rights and remedies reserved to VCI in these Terms shall be cumulative and the assertion of VCI of any right or remedy shall not preclude the assertion by VCI of any other rights or the seeking of any other remedies. Supplier will reimburse VCI for any direct, indirect, incidental, consequential or other damages (including lost profits) caused or required by Supplier's breach of these Terms. Supplier shall not have any right of setoff.
- 13.18 Supplemental Terms and Conditions. VCI may issue supplemental terms and conditions to address special or additional requirements.
- 13.19 Interpretation. Supplier and VCI agree that the Order, including these Terms, was negotiated by the Parties with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring provisions to be construed or interpreted against any Party as having been drafted by it will not apply.
- 13.20 Counterparts. The Order and any SOW that requires the signature of the parties thereto under these Terms may be executed in two or more counterparts (including by facsimile), each of which is an original and taken together is one agreement.
- 13.21 Electronic Communication. Electronic communications will be (a) considered "written" or "in writing" for purposes of these Terms, provided the information transmitted is in an agreed upon format under an agreed upon protocol, and (b) treated as signed writings and original records, except where these Terms or any Order expressly requires a manual signature or a party's written consent or agreement, in which case, the written consent or agreement must include a manual signature.

End of Document

EXHIBIT A

Statement of Work No. ____

This Statement of Work No. ____ (this “SOW”) is effective [Month] [Day], 20[XX] (the “SOW Effective Date”) by and between VW Credit, Inc. (“VCI”) and [insert Supplier’s Legal Name] (“Supplier”) pursuant to, and subject to, VCI’s Standard Terms and Conditions of Purchase (the “Agreement”). Capitalized terms not defined in this Statement of Work shall have the meanings ascribed in the Agreement.

A. Scope of Services

B. Project Objectives

C. Project Deliverables

D. Schedule and Milestones

E. Standards and Testing

F. Pricing and Payment

[Signature Page Follows]

Each party is signing this Agreement on the date set forth following that party's signature.

VW CREDIT, INC.

SUPPLIER

[Insert Name of Supplier]

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

End of Document