

VOLVO CAR CZECH REPUBLIC S.R.O. STANDARD TERMS AND CONDITIONS

Valid from 1 May 2017

1. DEFINITIONS AND FIELD OF APPLICATION

- 1.1. In these Volvo Car Czech Republic s.r.o. Standard Terms and Conditions (the "**Standard Terms**") the "**Supplier**" means the company indicated as such in the Contract (as defined below) or in the Purchase Order (as defined below) and the "**Purchaser**" means the company indicated as such (or in equivalent way as the type of the supply may require) in the Contract or otherwise as specified under the heading "Invoice Address" in the applicable Purchase Order, unless otherwise agreed in the Contract. Further, the "**Purchase Order**" shall mean an electronic order regarding the goods/products or services (collectively the "**Supplies**") issued by the Purchaser to the Supplier and the "**Contract**" shall mean the Purchase Order and any other contractual document entered into by the parties relating to the Supplies. "**Affiliates**" shall mean Volvo Car AB or any legal entity in which Volvo Car AB directly or indirectly owns or controls at least 50 % of the voting stock, partnership interest or other ownership interest.
- 1.2. These Standard Terms are part of the Contract entered into between the Supplier and the Purchaser. Unless the terms and conditions set out here are expressly modified in the Contract, the Standard Terms shall take precedence if there is any inconsistency or conflict with any other provision(s) in the Contract.
- 1.3. A phrase introduced by the words "including", "includes", "in particular", "for example" or similar, shall be construed as illustrative and without limitation to the generality of the related general words.

2. PURCHASE ORDER SIGNIFICANCE

- 2.1. The Contract shall not become binding on the Purchaser until a Purchase Order sent exclusively from e-mail address assigned specifically for this purpose by the Purchaser on its webpage or

otherwise notified by the Purchaser is placed with the Supplier. Until such Purchase Order has been placed in the required form with the Supplier the Purchaser has *no* responsibility, whatsoever, under the Contract, including obligations to pay the purchase price or to pay damages. For avoidance of doubt no orders sent from other addresses or otherwise than from the e-mail address assigned specifically for this purpose by the Purchaser on its webpage or otherwise notified by the Purchaser shall be binding for the Purchaser.

3. COMPLIANCE WITH LAW, BASIC WORKING CONDITIONS, CODE OF CONDUCT ETC.

- 3.1. The Supplier shall at all times comply with – and ensure that its sub-contractors comply with – any applicable laws, rules and regulations when performing its obligations under the Contract, including any such laws rules and regulations relating to (i) employment, working conditions and social security, (ii) environment and (iii) manufacturing, labelling, registration, transportation, importation, licensing, approval and certification of the Supplies. The Supplier shall further, at its own expense, procure/maintain any relevant licenses, permits and authorisations and ensure that those are in full force and effect and that neither the Supplier nor its sub-contractors have breached any such licence, permit or authorisation.
- 3.2. Irrespective of Section 3.1 above, neither the Supplier nor its sub-contractors may ever (i) use forced labour, regardless of its form, (ii) employ any person below the age of fifteen (15) years, unless such employment is part of a government approved job training, apprenticeship or other program that would be clearly beneficial to its participants, (iii) engage in physically abusive disciplinary practices or (iv) engage in any act or omission that could possibly be construed as giving or taking a

- bribe or in any other kind of corruption, including giving any form of benefits to a third party, whether public or private, to obtain or retain business or to gain preferential treatment.
- 3.3. The Supplier shall ensure that all employees provided by the Supplier shall at all times be aware of and comply with the Purchaser's safety and security arrangements (also including other applicable obligations in relation to the wellbeing of the employees and rules and regulations regarding alcohol and illegal drugs) whilst performing work on the Purchaser's premises. The Supplier is responsible to inform itself, its employees and its sub-contractors of such safety and security arrangements applicable on the Purchaser's premises from time to time.
- 3.4. Volvo Car Czech Republic s.r.o. has adopted a Code of Conduct, available at <https://group.volvocars.com/sustainability>. Volvo Car Czech Republic s.r.o. expects that the Supplier – as a business partner of Volvo Car Czech Republic s.r.o. – is governed by the same or similar principles as those set out in the Code of Conduct. Volvo Car Czech Republic s.r.o. also expects the Supplier to ensure that those principles are communicated to and respected by its employees and sub-contractors.
- 3.5. The Purchaser may verify and assess the Supplier's compliance with the requirements set out in this Section 3 by conducting audits in accordance with Section 5 or by requesting the Supplier to reasonably take part in an assessment program. The Supplier shall ensure that such right of the Purchaser applies also in relation to any of the Supplier's sub-contractors.
- 3.6. Failure by the Supplier to fulfil the requirements set out in Section 3.2 shall always be deemed to constitute a material breach of the Contract and (i) result in the Supplier having to undertake necessary remedies, including to, pay damages, and (ii) give the Purchaser a right to terminate the Contract with immediate effect and without prior notice to the Supplier.
- 4. ENVIRONMENTAL MATTERS**
- 4.1. The Supplier shall adopt a holistic view of the environmental impact that the Supplies may have, and thereby taking into account the complete life cycle of the Supplies. The Supplier shall further have a documented and applied environmental management system, as described in Section 9.4. Furthermore, all reasonable steps shall be taken by the Supplier to protect the environment, including fulfilling any applicable environmental requirements or otherwise reasonably required by the Purchaser.
- 4.2. The Supplier shall continuously and without delay provide the Purchaser with all information and documentation (in the local language of destination of the Supplies, if not otherwise requested by the Purchaser) required by applicable laws, rules and regulations. The documentation shall be submitted by e-mail to e-mail address assigned specifically for this purpose by the Purchaser on its webpage or otherwise notified by the Purchaser.
- 4.3. For Supplies purchased outside the European Economic Area and subject to any REACH-regulation (European Union (EC) 1907/2006 concerning Registration, Evaluation and Authorization of Chemicals), the Supplier shall take – and confirm in writing to the Purchaser that it has taken – the importer role by nominating a so-called Only Representative to fulfil the obligations of importers under REACH.
- 4.4. The Supplier shall keep the Purchaser informed of any Supplies that are classified as dangerous goods according to applicable law. Such information shall be submitted by e-mail to e-mail address assigned specifically for this purpose by the Purchaser on its webpage or otherwise notified by the Purchaser. Further, the Supplier shall appoint a single point of contact regarding such goods and inform the Purchaser of them.
- 4.5. The Supplier shall comply with all relevant Czech legislation related to the handling of chemical products which is applicable to the Supplies provided by the Supplier.
- 4.6. On the Purchaser's request, the Supplier shall provide the Purchaser with a complete sustainability assessment note in substance

and form reasonable acceptable to the Purchaser.

5. AUDIT RIGHTS

- 5.1. Each party shall continuously inform the other party, in Czech unless English is specifically agreed between the parties, on all matters that are of importance to its performance under the Contract. The parties shall in all such communications express themselves in writing and with clarity and such means as are required to ensure a correct performance in all respects.
- 5.2. If requested by the Purchaser, the Supplier shall on a monthly basis provide the Purchaser with statistics containing performed work, costs, delivery performance and any other information which the Purchaser may reasonably request or other information as may be agreed between the parties.
- 5.3. The Purchaser may at any reasonable time send its authorised representatives to (i) examine all pertinent documents and materials in the possession or under the control of the Supplier relating to any of its obligations under the Contract or any payments requested by the Supplier pursuant to the Contract, (ii) inspect any facility or process relating to the Supplies or the Contract, including those relating to production quality, (iii) audit any facility or process to determine compliance with any requirements of the Contract and (iv), when determining the Supplier's compliance with its obligations under Section 3, interview the Supplier's employees and management.
- 5.4. The Supplier shall if requested by the Purchaser supply the Purchaser with its latest audited annual report, environmental report and quality control system certificate. Further, if requested by the Purchaser, the Supplier shall provide to the Purchaser its most recent financial report, including income statements, balance sheets, cash flow statements and supporting data. Should the Supplier be a publicly traded company, the Supplier shall provide such report at the time it is first permitted to do so under applicable law and the rules of the appropriate stock exchange(s).

5.5. The Supplier shall maintain all pertinent books and records relating to the Contract for a period of minimum two (2) years after the expiration or termination of the Contract. The Purchaser may make copies of such materials.

5.6. The Supplier shall, upon the Purchaser's request, use its best efforts to permit the Purchaser to conduct the examinations, inspections and audits set out in Section 5.3 at any sub-contractor engaged by the Supplier, regardless of any other right the Purchaser may have to such information or facilities.

6. INTELLECTUAL PROPERTY RIGHTS, TRADEMARKS, LOGOTYPES ETC.

- 6.1. Any logotypes and trademarks of Volvo Car Czech Republic s.r.o. shall be the sole property of the Purchaser and/or its Affiliates (as the case may be) and such logotypes and trademarks may – unless otherwise follows from the Contract – not be used (whether for advertisement, exhibitions or any other purpose) by the Supplier, or any of its sub-contractors. If such use is allowed under the Contract, it shall always be strictly in accordance with the explicit instructions and requirements of the Purchaser. Unless the Contract says otherwise, all advertisements, public displays, press releases and other communication from the Supplier and any of its sub-contractors shall also comply with the following.
- a) Any references to and statements concerning Volvo Car Czech Republic s.r.o. or its products shall be factually correct.
 - b) Any communication messages, texts and pictures must be focused on the Supplier, or where applicable its sub-contractors, and its products and no messages may be built on the Supplier's business relations with Volvo Car Czech Republic s.r.o. Only a reference to such business relations may be made.
 - c) The value, length and any other terms and conditions of the Contract are deemed to be confidential information under Section 8.1 and so may not be

quoted. Neither may any Volvo Car Czech Republic s.r.o. employee be quoted nor identified by name.

- d) There shall be no implication of a special relationship with Volvo Car Czech Republic s.r.o. Unless approved in writing by Volvo Car Czech Republic s.r.o. brand strategy department, use of (i) Volvo Car Czech Republic s.r.o. typefaces, advertising slogans (paraphrased or otherwise) or taglines, or (ii) photographs or pictures of Volvo Car Czech Republic s.r.o. products are not allowed.
- e) References to Volvo Car Czech Republic s.r.o. or its products shall not give the impression that Volvo Car Czech Republic s.r.o. endorses the Supplier's goods/ products or services in general or that the Supplier is the sole provider of them.
 - f) Any advertising material of the Supplier or any of its sub-contractors relating to Volvo Car Czech Republic s.r.o. or its products shall be submitted in advance by to the e-mail assigned specifically for this purpose by the Purchaser on its webpage or otherwise notified by the Purchaser. and shall not be used unless approved in advance in writing by Volvo Car Czech Republic s.r.o. brand strategy department.
 - g) Any press release material of the Supplier or any of its sub-contractors shall be submitted in advance to the e-mail address assigned specifically for this purpose by the Purchaser on its webpage or otherwise notified by the Purchaser. and shall not be used unless approved in writing by Volvo Car Czech Republic s.r.o. public affairs department.

6.2. The Supplier shall indemnify and hold the Purchaser, its Affiliates and its representatives harmless from and against any claims, suits, actions, judgments or awards, and pay all the losses, damages, costs and expenses (including legal fees)

connected therewith, which may be imposed upon the Purchaser, its Affiliates and its representatives arising out of or related to any allegation that the Supplies (or a part thereof) or any license provided under the Contract infringes any patent, copyright, trademark or any other intellectual property right of a third party. Each party shall without undue delay inform the other party if it has reason to believe that any such infringement may take or has taken place.

7. PERSONAL IDENTIFIABLE INFORMATION

7.1. The Supplier shall at all times comply with applicable data protection laws and:

- a) if any personal data are being processed by the Supplier for the Purchaser or administered by the Purchaser, and if Czech data protection legislation requires so, then the parties are obliged to conclude a written agreement on data processing which shall contain specific measures to be followed when processing personal data;
- b) implement appropriate technical and organisational measures to protect the personal data processed under the Contract, which measures shall provide an appropriate level of security considering the technical possibilities available, what it would cost to implement the measures, the special risks that exist with processing of the personal data, and how sensitive the personal data processed really is;
- c) ensure that there are technical and practical solutions for investigating that the Supplier complies with this Section 7.1 and for investigating suspicions that someone working for the Purchaser or the Supplier has had unauthorised access to personal data;
- d) to the extent the personal data processed for the Purchaser as its administrator will be transferred outside European Economic Area to a country which has not been recognised by the European Commission as having an adequate level of protection by reason of its

domestic law or of the international commitments it has entered into, *i.e.* a third country, immediately inform the Purchaser of such transfer and enter into any of the European Commission's Model Contracts for transfer of personal data to third countries with the Purchaser, before any transfer of personal data is made;

- e) deal promptly and properly with all enquiries from the Purchaser and follow any reasonable instructions from the Purchaser relating to processing or protection of personal data made on behalf of the Purchaser, such as correction of personal data or increase of security measures, and co-operate with any authority with supervisory responsibilities in relation to the protection of personal data in any country in which personal data is being processed under this Contract; and
- f) immediately when the Supplier no longer processes personal data on behalf of the Purchaser under the Contract and unless the Purchaser instructs otherwise, return to the Purchaser or delete all such data, in whatever media or format it is stored.

7.2. If the Supplier cannot, due to any reason, comply with (i) Section 7.1 and/or (ii) any changes to the laws affecting the Purchaser in such respect in this Section 7, the Supplier agrees to immediately inform the Purchaser of that fact together with all known details. In that event the Purchaser may suspend the transfer of data and, if not otherwise agreed, terminate the Contract.

8. CONFIDENTIALITY

8.1. Without the other party's prior written consent, neither party shall disclose to any third party any information relating to the other party or its business operations (in relation to the Purchaser including personal data related to Volvo Car Czech Republic s.r.o. customers or employees and any information regarding Volvo Car Czech Republic s.r.o. future product programs, product code names, program costs and timing plans as well as any information that may pre-empt Volvo Car Czech Republic s.r.o. own announcements), except to the

extent necessary for the performance under the Contract or if the information is publicly known. The parties shall use all reasonable means to preserve the secrecy of such confidential information. However, the Purchaser may disclose any such information to its Affiliates, provided that such companies comply with the corresponding confidentiality undertaking."

8.2. Section 8.1 does not apply to the extent a party is required to disclose confidential information by law or regulation or pursuant to any order of court or other competent authority or tribunal. If a party is required to make any such disclosure, such party agrees to, when permitted under applicable legislation or order (as the case may be), give the other party notice before any such disclosure.

8.3. The Supplier shall ensure that confidentiality in accordance with this Section 8 is maintained through confidentiality undertakings with its employees and its sub-contractors, if any.

8.4. On the expiration or termination of the Contract and if requested by the Purchaser, the Supplier shall either return or destroy all media containing information covered by the confidentiality undertaking in this Section 8.

8.5. This Section 8 and the confidentiality undertakings by the parties shall survive the expiration or termination of the Contract and shall remain in force for five (5) years thereafter.

9. MISCELLANEOUS

9.1. Unless otherwise specifically stated in the Contract, the currency for all payments under the Contract shall be made in the local currency of the location of the Supplier's principal place of business.

9.2. The Supplier is responsible for charging and declaring VAT or similar local taxes as follows from applicable law. Any prices relating to the Contract including the price for the Supplies shall be excluding VAT or other similar local taxes.

9.3. The invoices issued by the Supplier must (in addition to fields and data required by law and/or Contract) contain at least the Order

- No., eventually also goods identification, lading certificate No. and identification of a person responsible for goods/service specification and take-over (so called "requestor"). Each invoice must be placed exclusively through an e-mail account designed for invoice placing assigned specifically for this purpose by the Purchaser on its webpage or otherwise notified by the Purchaser, unless a different procedure is explicitly agreed. The invoice should be attached as a PDF file and only one invoice in each PDF file. Should the invoice be sent otherwise or without specified obligatory data/fields, the Purchaser is not obliged to pay the invoiced amount and the due period of the invoice is not applicable.
- 9.4. Provided that the Supplier or its deliveries of the Supplies are somehow related to Volvo Car Czech Republic s.r.o. IT environment, the Supplier shall comply with "*Volvo Cars' Minimum Information and IT Security Requirements*".
- 9.5. The Supplier shall obtain and retain a third party certification according to ISO 9001/2 and ISO 14001 standards. Should the Supplier not be ISO 9001 and ISO 14001 certified or have other adequate and by the Purchaser approved quality/environmental management system in place, the Supplier shall, unless otherwise agreed, have a six (6) months grace period from the date of the Contract, after which the Supplier shall be able to demonstrate to the Purchaser that the Supplies are produced, delivered etc. in accordance with such quality and environmental system. If not, the Supplier shall hold the Purchaser harmless of any costs that the Purchaser incurs related to such non-compliance.
- 9.6. The Supplier is responsible for at all times having appropriate insurances for all its obligations under the Contract. The Supplier shall provide the Purchaser with insurance certificates or other proof of such insurance on the Purchaser's request.
- 9.7. The Purchaser may transfer the receivable from the Contract or from a Purchase Order to any Related Company upon written notice to the Supplier. Further, any Related Company may purchase Supplies on the same terms and conditions as those agreed with the Purchaser.
- 9.8. The Supplier is always responsible for any acts and/or omissions of its personnel, consultants and sub-contractors. If so reasonably required by the Purchaser, the Supplier shall substitute any such individual personnel, consultant or subcontractor.
- 9.9. The Supplier shall complete, and ensure that all of its sub-contractors will complete, any reasonable training as required by the Purchaser.
- 9.10. If the Contract is executed in both the Czech and English version, then the English version shall prevail.
- 10. GOVERNING LAW AND DISPUTE RESOLUTION**
- 10.1. The Contract shall become effective according to and in all respects be governed by and construed in accordance with the substantive laws of the Czech Republic.
- 10.2. Any dispute, controversy or claim arising out of or in connection with the Contract, or the breach, termination or invalidity of it, shall be finally settled by the Czech court with the local jurisdiction over the registered office of the Purchaser, if not expressly and in writing agreed otherwise between the parties.
- 10.3. Irrespective of any discussions or disputes between the parties, the Supplier shall always continue to fulfil its undertakings under the Contract unless a court or an arbitral tribunal (as the case may be) decides otherwise.
- 10.4. In any arbitration proceeding, any legal proceeding to enforce any arbitration award, or any other legal proceedings between the parties relating to the Contract, each party expressly waives the defense of sovereign immunity and any other defense based on the fact or allegation that it is an agency or instrumentality of a sovereign state. Such waiver includes a waiver of any defense of sovereign immunity in respect of enforcement of arbitral awards and/or sovereign immunity from execution over any of its assets.