

**1 APPLICATION**

1.1 These General Purchasing Conditions apply on any and all agreements for delivery of Parts to AB Volvo and its AB Volvo Subsidiaries.

**2 DEFINITIONS**

2.1 In the Purchase Agreement the following definitions shall have the meaning set out below.

2.2 "AB Volvo" means the Swedish company AB Volvo which is the parent company of the Volvo Group.

2.3 "AB Volvo Subsidiary" means any company within the Volvo Group other than AB Volvo.

2.4 "Defective Part" means any Part not meeting the requirements set out in Section 11.1-11.3.

2.5 "Delivery Plan" is a document, whether in electronic form or on paper, that set out the quantities and delivery dates and other delivery information for Parts that Volvo expects to request delivery of within a certain period of time.

2.6 "Field Actions" means any activity Volvo initiates on Products in order to address quality or safety issues, compliance with legal requirements or customer concerns. Field Actions includes but is not limited to product recalls and service campaigns.

2.7 "Framework Agreement" is an agreement that AB Volvo or an AB Volvo Subsidiary and the Supplier may have entered into which main objective is to form the basis for supply to AB Volvo Subsidiaries.

2.8 "Intellectual Property Rights" means all forms of intellectual property rights in any country or region, including but not limited to inventions, trade secrets, patents, copyrights, design, trademarks (whether or not registered or registerable and including applications for registration of any such thing) and know how.

2.9 "JV" means (i) Dongyo (Hangzhou) Truck Co., Ltd., China, (ii) VE Commercial Vehicles Ltd., India, (iii) Shandong Lingong Construction Machinery Co Ltd , (iv) Dongfeng Commercial Vehicles Co., Ltd., and any (v) other joint venture between the Volvo Group (excluding the JV) and a third party as notified in writing to the Supplier by Volvo.

2.10 "Order" means a Purchase Order or a Tooling Purchase Order.

2.11 "Parts" means parts, systems, components or raw material that Volvo orders and the Supplier supplies to Volvo.

2.12 "Party" or "Parties" means the parties to the Purchase Agreement.

2.13 "Product" means the product in which a Part is, or is intended to be, incorporated.

2.14 "Purchase Agreement" is an agreement between Volvo and the Supplier for the purchase by Volvo of Parts from the Supplier in accordance with Section 3.1 below.

2.15 "Purchase Order" is a document, in paper or electronic form, issued by Volvo to the Supplier for the purchase of Parts.

2.16 "Supplier" means the party to a Purchase Agreement that supplies, or is intended to supply, Parts to Volvo.

2.17 "Supplier Group Company" means (i) any company that owns the Supplier, directly, or indirectly, with more than 50 % of the share capital and/or controls, directly or indirectly, more than 50 % of the votes in the Supplier, (ii) any company in which the Supplier owns, directly or indirectly, more than 50 % of the share capital and/or controls, directly or indirectly, more than 50 % of the votes, and (iii) any other company under such common ownership or control.

2.18 "Supplier Portal" means the internet home page <http://www.volvo.com/suppliers/global/en-gb/> and any subsequent replacement of the same.

2.19 "Technical Specifications" means documentation provided or referred to by Volvo which describes the Part's or Typebound Tooling's shape, function, material content and/or any other requirement on the Part or Typebound Tooling.

2.20 "Tooling Purchase Order" is a document, in paper or electronic form, issued by Volvo to the Supplier for the purchase of Typebound Tooling.

2.21 "Typebound Tooling" means any and all tools, jigs, fixtures, dies, moulds, models and/or other equipment, including related software, specifically manufactured or adapted for manufacture or quality control of Parts.

2.22 "Volvo" means the Volvo Group company that has issued a Purchase Order or a Tooling Purchase Order to the Supplier.

2.23 "Volvo Group" means and includes AB Volvo (publ) and (i) any company in which AB Volvo (publ) owns, directly or indirectly, more than 50 % of the share capital and/or controls, directly or indirectly, more than 50 % of the votes and all JV's.

2.24 "Volvo Procedures" means any procedures or instructions issued by AB Volvo and/or any of its AB Volvo Subsidiaries and published on or under the Supplier Portal.

2.25 Terms defined in these General Purchasing Conditions shall have the same meaning in all documents being part of the Purchase Agreement, unless the context expressly provides otherwise.

**3 CONCLUSION OF A PURCHASE AGREEMENT AND CONTRACTUAL DOCUMENTS**

3.1 A Purchase Agreement is concluded between Volvo and the Supplier when Volvo has issued an Order to the Supplier and the Supplier has accepted such Order. The Supplier shall be deemed to have accepted the Order at the earlier of (i) the Supplier notifying Volvo of its acceptance or (ii) the Supplier beginning performance pursuant to the Order.

3.2 Volvo accepts no liability for orders for parts, components or raw material that have not been placed in accordance with this Section 3.

3.3 An Order incorporates these General Purchasing Conditions.

3.4 A Purchase Agreement includes these General Purchasing Conditions and also, to the extent that they are issued, the following documents:

Framework Agreement (which shall prevail over these General Purchasing Conditions)  
Purchase Order  
Tooling Purchase Order  
Technical Specifications  
Quality Delivery Cost Agreement  
Price Agreement  
Warranty Charter  
Delivery Plan according to Section 8.1  
Volvo Group Request to Pay instruction  
Other agreed documents. With respect to such documents, a subsequently issued document shall prevail over a previously issued one.  
Volvo Procedures in conformity with Section 18.1

3.5 In the event of a conflict between the documents which constitute a part of the Purchase Agreement, the documents shall apply in the order they are mentioned in Section 3.4 unless otherwise expressly agreed in a specific document.

3.6 No terms or conditions submitted by the Supplier apply to a Purchase Agreement unless accepted in writing by Volvo.

**4 NON-EXCLUSIVE SUPPLY**

4.1 The Supplier is not the exclusive supplier of the Parts.

**5 INFORMATION**

5.1 The Supplier shall annually provide Volvo with its latest annual report including balance sheet, profit & loss statement, and cash flow report as well as the Supplier group consolidated annual report as soon as it is available.

5.2 The Supplier shall furthermore upon Volvo's request provide Volvo with such further financial and other business information related to the Supplier and to any other relevant Supplier Group Company that may be of importance for Volvo in order to evaluate the Supplier's financial performance and the relationship with the Supplier and/or such other information that Volvo reasonably may request. The Supplier shall provide Volvo with the requested information without undue delay from the receipt of Volvo's written request.

5.3 In addition to the above, the Supplier shall provide Volvo without undue delay with any other information about the Parts and/or the Supplier that may be requested by the competent authorities for the import or export of the Parts.

5.4 If the Supplier enters into composition proceedings, is declared bankrupt, goes into liquidation or for any other reason can be assumed to have become insolvent, the Supplier shall immediately inform Volvo thereof. Supplier shall also without any undue delay inform Volvo of any other event that may have a material negative impact on the Supplier's financial status, the Supplier's performance of its obligations under the Purchase Agreement and/or the Supplier's relationship with Volvo.

5.5 If the Supplier does not provide the information requested by Volvo according to this Section 5 within a reasonable time, Volvo shall be entitled, after reasonable notification, to perform a financial audit of the Supplier (either by itself or by appointing an independent third party), at the Supplier's expense. The scope of such audit shall be limited to financial information that is required in order for Volvo to evaluate the Supplier's financial performance. The Supplier shall only be entitled to withhold requested information to the extent the Supplier can demonstrate that the Supplier is prevented from disclosing certain information due to mandatory legislation, applicable stock exchange regulations or due to confidentiality undertaking with a third party.

**6 ELECTRONIC COMMUNICATION**

6.1 The Parties have agreed to implement communication through electronic data interchange (EDI). When and to the extent EDI is implemented, the Parties will apply the terms of the EDI Procedures published on the Supplier Portal.

**7 CONFORMITY WITH ORDER**

7.1 The Supplier shall supply Parts in accordance with the Technical Specifications and terms of the Purchase Order.

7.2 Volvo reserves the right to modify the Technical Specifications of a Part. Any change in price or other conditions resulting from this shall be agreed upon in writing prior to any change of production equipment and prior to the commencement of delivery by the Supplier of any modified Part.

7.3 The Supplier shall supply Typebound Tooling ordered by Volvo in accordance with the terms of the Tooling Purchase Order. If Volvo has issued Technical Specifications for the Typebound Tooling, the Supplier shall supply the Typebound Tooling strictly in accordance with such Technical Specifications.

7.4 Volvo reserves the right to modify the Technical Specifications of Typebound Tooling, and the Supplier shall immediately modify the Typebound Tooling according to the new Technical Specifications. Any change in price or other conditions resulting from the change in Technical Specifications shall be agreed upon in writing prior to performing any change on the Typebound Tooling.

7.5 The Supplier shall provide Volvo with a complete breakdown of the Parts as well as comprehensive spare parts list comprising i.a. part and identification drawings. In addition, the Supplier shall provide service instructions and manuals in form and substance so that it can be used by Volvo's dealers without revision.

**8 ORDERED QUANTITY AND CAPACITY, DELIVERIES AND COMPENSATION FOR CANCELLED PURCHASES**

8.1 Volvo normally issues Delivery Plan(s) for the Parts. The Delivery Plans set out the quantities and delivery dates for Parts that Volvo expects to request delivery of within a certain period of time. Firm requests for delivery of Parts, including the fixing of the exact

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quantity and delivery time, is made either as part of the Delivery Plan or in the Order. Only what Volvo explicitly has stated, in writing issued to the Supplier prior to the delivery in question, to be a firm request for delivery shall be deemed to be a firm request for delivery.

8.2 Any quantity included in the Delivery Plan that exceeds what is a firm request for delivery of Parts, or any volume estimates provided elsewhere, shall be considered a forecast only and shall not be binding on Volvo. However, the Supplier is obliged to maintain such production and delivery capacity so that deliveries can be made in accordance with the forecast quantity in the Delivery Plan.

8.3 The Supplier shall immediately inform Volvo if there is a risk of non compliance with the most recent Delivery Plan issued by Volvo. Recognizing that time is of the essence, the Supplier will take all necessary actions, both ordinary and extraordinary, to ensure timely deliveries.

8.4 If the Supplier is unable to meet Volvo's need for the Parts, the Supplier shall find alternative supplies for Volvo in consultation with Volvo. Actual procurement from the alternative supplier is subject to Volvo's final written approval.

8.5 Should Volvo cancel, wholly or partly, or fail to purchase a quantity of a Part for which Volvo's order is firm in accordance with Section 8.1 above, Volvo shall compensate the Supplier for reasonable costs relating to such cancelled quantity. In calculating such costs the Supplier shall not receive compensation to the extent that the Part - or components, semi-manufactured items or raw materials intended for it - can be used for other deliveries to Volvo or another party, or for another purpose. Volvo's obligation to compensate for cancellations is conditional upon the Supplier submitting specified claims for compensation in writing not later than six (6) weeks after the Supplier should have been able to establish the costs relating to the cancelled quantity.

8.6 The Supplier undertakes to deliver Parts according to Orders issued by Volvo during the term of the Purchase Agreement. The Supplier acknowledges that it shall not be entitled, irrespective of any language to the contrary in the actual Order, to refuse to deliver Orders placed, as long as the terms of such Orders are consistent with the terms of the Purchase Agreement.

## 9 PRICE AND PAYMENT

9.1 The price for Parts is stated in the Purchase Order and shall, subject to Section 9.2 below apply until the Parties agree on a new price in writing. Unless otherwise agreed, in writing, the price stated for any Part shall be a fixed price, inclusive of all duties, levies, fees and taxes in the country of origin of the Parts.

9.2 The Supplier shall during the term of the Purchase Agreement provide Volvo with Parts that are competitive in terms of price, quality, delivery and technical function. If Volvo considers that the Supplier's delivery of one or more Parts is no longer competitive in relation to price, quality, delivery and/or technical function even though the delivered Parts are in accordance with the terms of the Purchase Agreement, Volvo shall supply the Supplier with information supporting its belief. The Supplier and Volvo shall in good faith discuss how to make the Part competitive. If the Parties are unable to arrive at a mutually acceptable solution within thirty days after Volvo's notification, then Volvo shall have the right to terminate the Purchase Agreement insofar as it concerns the non-competitive Part by giving the Supplier thirty days notice.

9.3 The Supplier undertakes to supply a complete cost breakdown (including but not limited to labour, material and amortization) and the price of all the basic components of any Part, which in the aggregate shall not exceed the price of the Part it together constitutes.

9.4 Unless otherwise agreed between the Parties or prescribed by applicable mandatory legislation, payment shall be made according to the following: Free delivery month based on receipt of invoice or goods (whichever is latest) + three calendar months of credit, paid according to Volvo Group payment calendar. The actual payment dates are stated in the Volvo Group payment calendar published on the Supplier Portal.

9.5 All invoices shall be correctly addressed, without being marked for the attention of any individual, and include all other information that is required by Volvo.

9.6 Remittance of payment shall not imply any acceptance of the delivery or of the invoiced amount.

9.7 The Supplier and Volvo will jointly pursue cost reduction opportunities for the duration of the Purchase Agreement and will reflect the achievements of such opportunities in price reductions to Volvo.

9.8 Without prejudice to Volvo's other rights and remedies, and after prior written notice Volvo may deduct from any payments due to the Supplier the amount of any good faith contra accounts or other claims which Volvo or any AB Volvo Subsidiary may have against the Supplier.

9.9 The price for Parts shall be the same for all entities within the Volvo Group of Companies.

## 10 DELIVERY AND PASSING OF TITLE

10.1 The agreed delivery term shall be construed in accordance with Incoterms 2010. Unless otherwise agreed, the delivery clause shall be "FCA", the Supplier's factory or named point specified in the Order.

10.2 The Supplier shall pack the Parts in accordance with instructions issued by Volvo.

10.3 Unless otherwise set out in the Purchase Order, title in the Parts will pass to Volvo at the same time as the risk will pass to Volvo according to Section 10.1.

## 11 WARRANTY FOR PARTS, SUITABILITY FOR INTENDED USE

11.1 The Supplier warrants, for a period of two years (unless a longer period is agreed) from the date the Parts are delivered to the end-user, that: all Parts delivered under the Purchase Agreement (i) shall conform to the Technical Specifications and to any samples approved by Volvo; and (ii) shall be free from defects in title, materials, workmanship, manufacture and design (to the extent the Supplier, its employees, agents, contractors and/or vendors are responsible for the design) and (iii) shall be fit and sufficient for their intended use.

11.2 For deliveries of Parts to Volvo, to be used in Products sold in North America, the abovementioned warranty period shall be three years from the date the Parts are delivered to the end-user, unless otherwise agreed in writing by Volvo.

11.3 The Supplier agrees to waive the time limitation to which the foregoing warranties are subject in the event that after the applicable warranty period has expired, (i) defects of the same or similar nature have been discovered in a statistically significant portion of the Parts, (ii) a defect is discovered which may cause or has caused (or is alleged by a third party to may cause or has caused) damage or poses a significant threat of damage to property or to

the health or safety of any person or (iii) Volvo anywhere in the world is statutory obliged to perform a Field Action involving the repair or replacement of Parts.

11.4 The Supplier shall immediately inform the relevant goods receiver and the responsible purchasing department at Volvo of any Defective Parts, discovered or anticipated which have been dispatched to Volvo.

11.5 The Supplier shall ensure it has obtained all information on the intended use of, application of and other conditions affecting the Parts. Volvo shall upon request from the Supplier provide all information, which Volvo in its sole discretion deems relevant for the design, development and/or manufacturing of the Parts.

11.6 Volvo's personnel may from time to time render assistance and/or give suggestions and/or opinions to, or affect an exchange of, information with the Supplier's personnel concerning the Parts to be furnished under an Order ("Assistance"). Volvo is not obliged to provide such Assistance and the provision by Volvo of such Assistance shall not create any liability for Volvo and shall not in any way limit the Supplier's liability to fully perform its obligations under the Purchase Agreement. Moreover any Assistance provided by Volvo shall neither grant the Supplier authority to change the relevant Parts or any provisions of an Order or the Purchase Agreement, nor shall any Assistance constitute a change binding upon Volvo unless issued as an amendment in accordance with the Purchase Agreement. In all cases, and as acknowledged by the Supplier, Volvo is relying upon the Supplier's knowledge and expertise in performing all work regarding the Parts to be furnished under an Order.

## 12 LIABILITY FOR DEFECTS OR OTHER NON-CONFORMING DELIVERIES

12.1 In the event a Part does not fulfill the requirements set out in Section 11.1-11.3 (a Defective Part), then Volvo shall be entitled to (i) demand immediate rectification, or (ii) demand immediate delivery of substitute Part(s).

12.2 If a Defective Part cannot be repaired or replaced without delay or if there is a risk of production disturbances at Volvo or delivery disturbances from Volvo, Volvo shall be entitled, without obtaining the Supplier's consent and at the latter's expense, to make the necessary repair work or completely or partly terminate the purchase of the Part and other such Parts that Volvo does not consider having any use of due to the defect or shortcoming, and also, to undertake substitute purchases from other supplier(s).

12.3 In addition to what is set forth in Sections 12.1 and 12.2 above, the Supplier shall compensate Volvo for any loss or damage arising out of or relating to the Defective Part including but not limited to costs (including reasonable attorney's and expert's fees) for any Field Actions, labour, replacement, assembly and disassembly, detection and analyze, scrapping and transportation to Volvo and/or its end-users.

12.4 If due to a delivery of a Defective Part Volvo considers it necessary to inspect all Parts of the same kind delivered by the Supplier, Volvo shall be entitled, after giving the Supplier notice thereof, to make such inspection at the latter's expense and without awaiting the latter's approval. The notice shall describe the nature of the defect as well as the time and place of the inspection. If possible, the Supplier shall be present at the inspection.

12.5 In the event that a delivery does not contain the quantity specified in the request for delivery, Volvo shall be entitled to demand immediate rectification and the Supplier shall compensate Volvo for all costs, arising out of or relating to the delay or shortfall in delivery. If the Supplier delivers a quantity either in excess of Volvo's ordered quantity or earlier than the delivery date, Volvo shall not be responsible for taking delivery of, storing or maintaining such Parts and shall further be entitled to return any excess or prematurely delivered quantity to the Supplier at the latter's expense and/or receive compensation from the Supplier for storage costs.

12.6 If Volvo accepts Parts that do not conform to the terms of the Purchase Agreement this will not relieve the Supplier of its obligations to correct any such non conformance or preclude Volvo from any remedy under the Purchase Agreement.

12.7 In the event of a late delivery of a Part, Volvo is entitled to (i) completely or partly terminate the purchase of the Part and of other Parts which Volvo does not consider having any use of due to the late delivery, and (ii) make substitute purchases from other suppliers. The Supplier shall indemnify Volvo against, and hold Volvo harmless from, any costs, losses and damages incurred or arising out of or relating to the late delivery.

## 13 WARRANTY FOR TYPEBOUND TOOLING ORDERED BY VOLVO

13.1 The Supplier warrants that: all Typebound Tooling delivered (i) shall conform to the Technical Specifications, if issued; and (ii) under this Purchase Agreement shall be free from defects in title, materials, workmanship, manufacture and design and (iii) shall be fit and sufficient for their intended purpose, including without limitation that they will be capable of producing the relevant Parts in the volume projected by Volvo.

## 14 SUPPLIER'S PRODUCTION

14.1 The Supplier shall in respect of design, development, production, installation and service comply with the applicable requirements of a quality system approved by Volvo.

14.2 The Supplier shall always strive to improve the production process. Volvo shall be entitled, after reasonable notification, to inspect the Supplier's production of a Part, perform tests and make other necessary examinations at the Supplier's premises, including evaluating any risks for interruption in the supply of Parts as well as safety related issues. The Supplier shall endeavor to obtain the same rights for Volvo at the premises of its suppliers. Volvo shall give the Supplier at least one weeks notice about such inspection.

## 15 TESTING

15.1 The Supplier shall, prior to commencement of serial production of a new or changed Part, manufacture and perform quality control of samples in accordance with Volvo's applicable requirements relating to testing from time to time.

15.2 Once a sample has been approved, alteration of the function, appearance, characteristics, material, production method, place of manufacture, Typebound Tooling or other equipment which may affect the Part, may be done only after written approval on each occasion from the responsible department at Volvo. Delivery may thereafter be made only after renewed approval of a sample.

15.3 If Volvo rejects a sample, the Supplier shall make rectification so that the requirements referred to in Section 11.1-11.3 are fulfilled and reimburse Volvo's costs for verification testing of the Part after such rectification.

15.4 Volvo's approval of samples shall not affect the Supplier's liability and obligations in accordance with the Purchase Agreement.

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## 16 RELOCATION OF PRODUCTION

16.1 The Supplier has been selected by Volvo based on, inter alia, Volvo's expectations on the Supplier's ability to manufacture and deliver Parts with required quality and otherwise in accordance with the Purchase Agreement. Therefore, the Supplier may not relocate the production of a Part, wholly or partly, without Volvo's written consent. Such consent, if given, is without prejudice to Volvo's continued rights to require compliance by the Supplier with the Purchase Agreement. If, as a result of such approved relocation of the production of a Part, the Purchase Agreement will be fulfilled by another company than the Supplier, the Supplier shall ensure that such other company accepts (prior to or simultaneous to said relocation, naming Volvo as a third-party beneficiary in writing) to be bound, vis-à-vis Volvo, by all terms and conditions in the Purchase Agreement; the Supplier shall however also continue to be responsible for the fulfillment of the Purchase Agreement.

## 17 CODE OF CONDUCT, ENVIRONMENTAL CONCERN

17.1 The Supplier undertakes to comply with the Volvo Code of Conduct and Volvo Environmental Requirements. These documents are published on the Supplier Portal.

## 18 THE SUPPLIER SHALL COMPLY WITH AND FOLLOW ALL VOLVO PROCEDURES

18.1 Volvo and AB Volvo Subsidiaries issue Volvo Procedures from time to time and publish them on or under the Supplier Portal. Such Volvo Procedures may include, but are not limited to, warranty handling procedures or instructions, packaging and labeling procedures and instructions, logistical procedures or instructions, EDI procedures or instructions. Such Volvo Procedures will not be contradictory to the Purchase Agreement between Volvo and the Supplier. The Supplier undertakes to comply with all Volvo Procedures issued from time to time that the Supplier has been informed of. The Supplier is however not obliged to follow a Volvo Procedure if it clearly states that it is not applicable for supply to Volvo (i.e. the specific Volvo company that the Supplier supplies to).

18.2 The home page of the Supplier Portal will contain information of any new or changed Volvo Procedure. Should the Supplier determine that it will not be possible for the Supplier to comply with any Volvo Procedure issued after the acceptance of a Purchase Order, the Supplier shall notify Volvo of its objection within two weeks from the publishing of such new Volvo Procedure on the Supplier Portal and will in such case not be bound by the Volvo Procedure in question.

18.3 Should the Supplier notify Volvo of its objection against a Volvo Procedure, then Volvo has the right to terminate the Purchase Agreement giving 30 days written notice.

## 19 PROVISION OF PARTS

19.1 The Supplier shall, pursuant to the conditions of the Purchase Agreement and at commercially reasonable prices, supply Parts to such an extent that Volvo can offer its customers spare parts for fifteen (15) years after Volvo's purchases of the Part for serial production from the Supplier have ceased. Should Volvo require supply of Parts longer than the said fifteen (15) years, the Parties shall agree on an all time buy, at commercially reasonable prices.

## 20 TYPEBOUND TOOLING OWNED BY VOLVO

20.1 This Section 20 applies to Typebound Tooling owned by Volvo.

20.2 Typebound Tooling referred to in a Tooling Purchase Order is owned by Volvo. The Supplier may not issue an invoice to Volvo for Typebound Tooling until such Typebound Tooling has been approved by Volvo.

20.3 The Supplier shall mark Typebound Tooling owned by Volvo in such a way that Volvo's ownership is clearly shown and shall inform insurers as to the fact of Volvo's ownership. The Supplier shall establish a register, accessible to Volvo, of all Typebound Tooling and, upon Volvo's request, certify Volvo's ownership of the Typebound Tooling to third parties and/or Volvo.

20.4 The Supplier may not use Typebound Tooling owned by Volvo for the production and/or supply of any goods or services to any third party. The Supplier may however use such Typebound Tooling for deliveries to a JV provided that the relevant AB Volvo Subsidiary has given its prior written approval.

20.5 The Supplier is solely responsible for  
- Maintaining the Typebound Tooling, including its repair or replacement, in the condition necessary to produce the Parts in accordance with the terms of the Technical Specifications for the relevant Parts and be responsible for all wear and tear;  
- Housing the Typebound Tooling and insure them against loss or damage, even if it occurs despite the Supplier's exercise of due care;  
- Keeping the Typebound Tooling identifiable as Volvo's property.

20.6 Typebound Tooling may not be destroyed or scrapped without Volvo's written consent. Typebound Tooling that is the subject of Intellectual Property Right(s) may furthermore not be copied without the consent of the owner of such Intellectual Property Right(s). Upon Volvo's request, all Typebound Tooling, drawings and other materials shall be returned to Volvo.

20.7 Supplier shall defend, indemnify and hold Volvo harmless from and against any and all loss, liability, cost and expense (including reasonable attorneys' fees) arising from personal injury, death or property damage resulting from (i) Supplier's failure to comply with its obligations under this Section 20, (ii) any use of the Typebound Tooling by any employee, agent, or contractor of Supplier in a manner contrary to the Typebound Tooling's intended use or any instructions, manuals or other documentation issued or available to Supplier, and/or (iii) the disabling of any safety device on or about the Typebound Tooling by Supplier, its employees, agents or contractors. This obligation shall survive the expiration or termination of the Purchase Agreement.

## 21 TYPEBOUND TOOLING OWNED BY THE SUPPLIER

21.1 This Section 21 applies to Typebound Tooling owned by the Supplier.

21.2 The Supplier shall bear the cost of developing, manufacturing, maintaining and renewing all Typebound Tooling used in the production of Parts ordered by Volvo.

21.3 If any company within the Volvo Group pays for or has any Intellectual Property Rights in Typebound Tooling, or has any Intellectual Property Rights in Parts manufactured by such Typebound Tooling, the Supplier may not use such Typebound Tooling for the production and/or supply of any goods or services to any third party. The Supplier may however make use of these Intellectual Property Rights for deliveries to a JV provided that the relevant company within the Volvo Group has given its prior written approval.

21.4 If the Supplier enters into composition proceedings, is declared bankrupt, goes into liquidation or for any other reason can be assumed to have become insolvent, the Supplier shall immediately inform Volvo thereof. The Supplier undertakes to assist Volvo in acquiring the Typebound Tooling which are necessary to manufacture the Parts. If the Typebound Tooling is covered by Intellectual Property Rights owned by the Volvo Group, the Supplier shall immediately inform the trustee, receiver or other accredited person(s) of Volvo Group 's Intellectual Property Rights to Typebound Tooling.

21.5 The Supplier shall upon Volvo's request return to Volvo all document transmitted regarding the development, the manufacturing and maintenance of the Typebound Tooling and the Parts (e.g. drawings, technical documents).

21.6 In case of termination of the Purchase Agreement for a Part, Volvo or other relevant Volvo Group company is entitled to acquire the ownership of all Typebound Tooling, used solely for production to Volvo and/or AB Volvo Subsidiaries of such Part, against payment of market value. The Supplier hereby certifies that the Supplier at all times will be able to fulfill its obligations in this respect.

21.7 Typebound Tooling may not be destroyed or scrapped without Volvo's written consent. Typebound Tooling that is the subject of Intellectual Property Right(s) may furthermore not be copied without the consent of the owner of such Intellectual Property Right(s).

## 22 INTELLECTUAL PROPERTY RIGHTS

22.1 The Supplier may use the Intellectual Property Rights owned by or licensed to the Volvo Group , whether such Intellectual Property Rights are in Parts or in Typebound Tooling, only for the production and supply of Parts to the Volvo Group and may not use such Intellectual Property Rights for the production and/or supply of any goods or services to any third party. The Supplier may however make use of such Intellectual Property Rights in Parts and/or Typebound Tooling for deliveries to a JV provided that the relevant company within the Volvo Group has given its prior written approval.

22.2 If Volvo or an AB Volvo Subsidiary pays, or otherwise compensates, the Supplier for development or design work, or contributes in other material respect to such development or design work, for Parts or Typebound Tooling, any Intellectual Property Rights arising from such work shall accrue to Volvo. For the avoidance of doubt, Volvo shall have the right to freely use and dispose of such Intellectual Property Rights, including but not limited to the right to modify, alter, adapt, transfer and grant sub-licenses to such Intellectual Property Rights in its sole discretion and without restrictions.

22.3 Volvo and the Supplier may also in a separate development agreement agree on conditions for Intellectual Property Rights resulting from design and/or development work performed by the Supplier.

22.4 The Supplier is responsible for ensuring that the Part, its use or its assembly does not directly or indirectly infringe the Intellectual Property Rights of any third party. The Supplier will, at its sole cost and expense, indemnify and hold the Volvo Group harmless against any and all claims that may be brought against any company within the Volvo Group or anybody that uses the Parts alleging that the Part, components of the Part, its use or its assembly infringes the Intellectual Property Rights of a third party and will either replace the Part by another equivalent Part or obtain all necessary consents for the continued use of the Part. Said undertaking shall not apply if the alleged infringement is proved to result directly from development or design work performed solely by Volvo. The Supplier shall, at Volvo's request, assist Volvo in disputes in which Volvo could become involved by reason of such infringement and if required by Volvo take on the conduct of any dispute.

22.5 The Supplier shall not use any corporate name or trademarks belonging to or licensed to the Volvo Group other than as instructed by the appropriate company within the Volvo Group in writing.

## 23 PRODUCT LIABILITY AND INSURANCE

23.1 The Supplier shall defend, indemnify and hold Volvo harmless from and against any and all loss, liability, cost and expense (including reasonable attorney's and expert's fees) arising out of a claim that a defect in the design or manufacture of the Parts, including defects in material and/or manufacturing processes or techniques, caused personal injury or loss of, destruction or damage to property. This obligation of indemnification includes the Supplier's responsibility for all judgements or settlement amounts which may otherwise be or become the responsibility of Volvo but for the obligation of indemnification set forth in this Section 23.1. This obligation of indemnification shall inure to the benefit of Volvo, its officers, directors, AB Volvo Subsidiaries, successors and assigns. The Supplier shall, at Volvo's request, assist Volvo in disputes in which Volvo could become involved by reason of such alleged defects and if required by Volvo take on the conduct of any dispute.

23.2 Neither Volvo nor the Supplier will file cross-claims or third party complaints against the other in product liability litigation without notifying the other Party in advance. Where practicable, notice should be given sufficiently in advance to allow thorough discussion of alternatives to such filing.

23.3 If there is a risk of a Product causing personal injury or property damage due to a Part being a Defective Part, such that Volvo decides to perform a Field Action, the Supplier shall compensate Volvo for its costs in conjunction with such Field Action, including but not limited to costs (including reasonable attorney's and expert's fees) for labour, replacement, assembly and disassembly, detection and analyze, scrapping and transportation to Volvo and/or its end-users.

23.4 The Supplier shall enter into and maintain an adequate product liability insurance policy during the period of the Purchase Agreement and shall at Volvo's request also supply Volvo with a copy of the insurance certificate.

## 24 OTHER SANCTIONS

24.1 In addition to the Supplier's liability for any defects, delays and product liability under the Purchase Agreement, a Party shall compensate the other Party for any loss or damage suffered as a result of a breach of the Purchase Agreement.

24.2 If a Party fails to comply in any material respect with its obligations under the Purchase Agreement and does not undertake complete rectification within thirty (30) days after a written notice to that effect, the other Party shall be entitled to terminate the Purchase Agreement with immediate effect and receive compensation in accordance with the provisions of the Purchase Agreement.

24.3 The Supplier is fully responsible for any actions or omissions (including, but not limited to the quality of the Part) of or related to its sub-suppliers, and/or any and all Supplier Group Companies.

Signatures.....

## 25 FORCE MAJEURE

25.1 "Force Majeure" shall mean all events which are beyond the control of the Parties, and which are unforeseen, unavoidable or insurmountable, and which were not known at the acceptance of an Order and which prevent total or partial performance by either Party. Such events shall include earthquakes, typhoons, flood, war, epidemics, civil disturbances, and any other event which cannot be foreseen, prevented or controlled. For the avoidance of doubt, strikes, lock-outs or other industrial action or disputes solely related to the Supplier and/or its subcontractors or agents shall not be deemed as events of Force Majeure.

25.2 If an event of Force Majeure occurs, a Party's contractual obligations affected by such an event shall be suspended during the period of delay caused by the Force Majeure and the period for performing such obligations shall be extended, without penalty, for a period equal to such suspension.

25.3 The Party claiming Force Majeure shall promptly inform the other Parties in writing and shall furnish within ten (10) days thereafter evidence of the occurrence and expected duration of such Force Majeure.

25.4 In the event of Force Majeure, the Parties shall immediately consult with each other in order to find an equitable solution and shall use all reasonable endeavors to minimize the consequences of such Force Majeure. If the consequences of the Force Majeure event continue for a period of thirty (30) days without a solution acceptable to both Parties, the Party that is not subject to Force Majeure shall be entitled to immediately terminate the relevant Purchase Agreement.

## 26 LEGAL REQUIREMENTS

26.1 Each party shall comply with all laws and regulations relevant to the performance under the Purchase Agreement. This will include but not be limited to the Supplier's obligation to treat dangerous goods in accordance with all applicable laws and regulations.

## 27 EXPORT CONTROLS AND ORIGIN

27.1 If any Part, or component therein, which the Supplier delivers to Volvo is subject to national sanctions or export control regulations in those countries where the Supplier produces the Part or those countries from which the components originate, the Supplier shall be obliged, prior to the Parties agreeing on the Technical Specification, to notify Volvo in writing thereof and of the scope of the export restrictions and provide Volvo with the applicable export control classification number (ECCN) or equivalent, if any, of the Part or the component.

27.2 The Supplier shall be obliged to deliver all assistance, information or certificates needed by Volvo for custom clearance for any Part, or component therein, which the Supplier delivers to Volvo, including, upon request from Volvo, technical information sufficient to determine the applicable export classification.

27.3 The Supplier shall upon delivery supply Volvo with an export certificate or its equivalent containing among other things details of the origin of a Part delivered and - in relevant instances - its EC- or EEA-value, and either (i) the percentage by value of the Parts' or sub-components' content with United States origin, or (ii) a written statement that such percentage is less than 10 per cent.

27.4 The origin, EC- or EEA-value of a Part may not be altered without the prior written consent of Volvo.

## 28 CONFIDENTIALITY

28.1 This Section 28 shall apply if and to the extent that the Parties have not entered into a separate confidentiality agreement that covers the entire duration set out in Section 28.2. Section 28.4 shall however apply regardless of a separate confidentiality agreement between the Parties.

28.2 All information, equipment, know-how and technical documentation, including electronically stored data and computerized geometries, to which a Party has obtained access through the Parties' business relationship, shall for the duration of the Purchase Agreement and for ten (10) years thereafter be treated as confidential and may not be used for any purpose other than for development, design work or deliveries to Volvo. The information may not be shown to or in any other way communicated to or used by others than such personnel of either of the Parties that are directly involved in the implementation of the deliveries to Volvo. Copying or reproduction of such confidential information is permitted only within the framework of the fulfilment of a Party's obligations and with regard to the applicable copyright laws and regulations. However, the confidentiality undertaking outlined above shall not apply to information which is (i) known to the public other than by breach of this Agreement, (ii) information which a Party can show was in its possession before receiving it from the other Party, and (iii) information which a Party receive from a third party without restraints as to the disclosure thereof.

28.3 Information which a Party is required to disclose by reason of law or order of a court of a competent jurisdiction may however be disclosed for such purpose. The Party requested to disclose such information shall beforehand notify the other Party of any such requirement and consult with the other Party regarding the manner of such disclosure. The Party disclosing information pursuant to this Section shall, as far as is legally possible, require the receiver of the information to treat it confidential as required in Section 28.1.

28.4 The Supplier may not make public the business relationship of the Parties through advertising or in any other way without prior written consent from Volvo.

28.5 The Supplier shall at Volvo's request either return or destroy everything referred to in Section 28.2, including copies thereof.

## 29 WAIVER

29.1 No waiver by either Party of any breach of the Purchase Agreement shall be considered a waiver of any subsequent breach of the same or any other provision. Notwithstanding the generality of the foregoing, any failure by Volvo to answer a question or communication from the Supplier about a delayed delivery shall not affect Volvo's right to impose a sanction in accordance with the Purchase Agreement.

## 30 SEVERABILITY

30.1 In the event that any provision of the Purchase Agreement should become invalid due to e.g. legislation, only the said provision shall be considered invalid while the remaining provisions shall remain in force. The Parties shall in such a case immediately conclude a new agreement that replaces the invalid provision and as far as is possible ensures through its content an equivalent result.

## 31 TRANSFER AND ASSIGNMENT OF AGREEMENT

31.1 A Party may neither transfer nor assign its rights or obligations under the Purchase Agreement without the written consent of the other Party also in case of an insolvency procedure against the Supplier. Volvo may however transfer or assign such rights or obligations to any AB Volvo Subsidiary without consent.

## 32 TERM OF THE AGREEMENT

32.1 The Purchase Agreement shall be valid for an indefinite period of time.

32.2 The Purchase Agreement may be terminated by either Party by written notice to expire twelve (12) months from receipt of the termination notice.

32.3 The Purchase Agreement can also be terminated in accordance with Sections 9.2, 18.3 24.2 and 25.4 above.

32.4 In addition to the above, a Party is entitled to terminate the Purchase Agreement with immediate effect and without any liability for compensation due to such termination if:

the other Party enters into composition proceedings, is declared bankrupt, goes into liquidation or for any other reason can be assumed to have become insolvent; or

the other Party is acquired by a competitor of the Party seeking termination.

32.5 If the Purchase Agreement is terminated the Supplier shall at its own cost, use all reasonable efforts to assist Volvo in the move of production of Parts from the Supplier without any disturbances in Volvo's production. This includes, but is not limited to, the return of Volvo owned Typebound Tooling without any delay upon Volvo's written request.

32.6 Without limitation of the survivability of any provisions hereunder which by their nature would reasonably be construed as surviving any expiration or termination of any Purchase Agreement, the provisions of Sections 11, 12, 13, 19, 20.7, 22, 23, 24 28, 34, 35 and 36 will survive the expiration or termination of this Purchase Agreement.

## 33 AMENDMENTS

33.1 Any amendment to this Purchase Agreement shall be made in writing and signed by authorized representatives of both Parties.

## 34 LANGUAGE

34.1 Should the General Purchasing Conditions or a Purchase Agreement be translated into another language than English, the English version shall prevail in case of inconsistency.

## 35 APPLICABLE LAW

35.1 The General Purchasing Conditions and any Purchase Agreement shall be governed and construed in accordance with Swedish substantive law, unless both Parties have their principal place of business (i) in the same country and (ii) that country is France, the United States of America, Japan, China, India or Thailand. In such case the Purchase Agreement shall be governed and construed in accordance with the substantive laws of that country. If the Parties have their principal place of business in the United States of America, the Purchase Agreement shall be governed by the substantive laws of the state of North Carolina. Irrespective of which substantive law that shall apply, such law shall exclude its conflict of laws principles providing for the application of the laws of any other jurisdiction.

35.2 However, Purchase Agreements that are subject to disputes according to 36.5 below, where all the Parties do not have their principal place of business in the same country, shall always be governed by and construed in accordance with Swedish substantive law, excluding its conflict of laws principles providing for the application of the laws of any other jurisdiction.

35.3 Notwithstanding the above, a Party shall always be entitled to apply for interim or conservatory measures in accordance with section 36.6 below.

## 36 DISPUTES

36.1 If, in accordance with Section 35.1-35.2 above the Purchase Agreement shall be governed by either Swedish, Chinese, Indian or Thai law, then any disputes arising out of or relating to the Purchase Agreement shall be finally settled by arbitration in accordance with the rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The seat of arbitration shall be Stockholm, Sweden. The language to be used in the arbitral proceedings shall be English, unless both Parties are domiciled in Sweden in which case Swedish shall be used.

36.2 If, in accordance with Section 35.1 above the Purchase Agreement shall be governed by French law, then any disputes arising out of or relating to the Purchase Agreement shall be settled by the Commercial Court of Lyon, France.

36.3 If, in accordance with Section 35.1 above the Purchase Agreement shall be governed by Japanese law, then any disputes arising out of or relating to the Purchase Agreement shall be finally settled by arbitration in accordance with the rules of the Japan Commercial Arbitration Association applicable at the time arbitration is called for. The arbitration proceedings shall be held in Tokyo, Japan. If not both Parties are domiciled in Japan, the arbitration proceedings shall be conducted in English.

36.4 If, in accordance with Section 35.1 above the Purchase Agreement shall be governed by the laws of the state of North Carolina, then any disputes arising out of or relating to the Purchase Agreement shall be finally settled by arbitration in accordance with rules of arbitration promulgated by the American Arbitration Association under its Commercial Dispute Resolution Procedures (the "Rules"). Such arbitration shall take place in Washington, D.C., and conducted in English before a panel of three neutral arbitrators selected pursuant to such Rules, exclusively from a list provided by the American Arbitration Association. A judgment on the award rendered by the arbitrators may be entered in and enforced by any court having jurisdiction thereof, with each Party hereby consenting to the jurisdiction of such court over it and waiving, to the fullest extent permitted by law, any defense or objection relating to in personam jurisdiction, venue or convenience of the forum. All matters arising in any action to enforce an arbitral award shall be determined in accordance with the law and practice of the forum court. Notwithstanding the foregoing, this arbitration clause shall not apply to claims for indemnification from third-party claims where the said third party has initiated litigation against Volvo or Supplier, or both.

36.5 Disputes arising out of or relating to several Purchase Agreements shall however, provided that such disputes are substantially based on similar legal grounds, be settled in a single arbitration in accordance with either of 36.1-36.4 above.

36.6 Notwithstanding the above, a Party shall be entitled to apply for interim or conservatory measures to any competent court.

Signatures.....