

VOLVO

Volvo Logistics Corporation



Generic User Contract

(for V-EMB use and other packaging services)

Date:

2019-05-13

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Volvo Logistics Corporation Notice of Confidentiality and Proprietary Data

The information contained herein is confidential and proprietary to Volvo Logistics Corporation (VLC) and is intended for the sole use of the individual or entity identified in the title page of this Contract. The individual or entity agrees that it will keep all information, material, Contracts and data furnished to it confidential, and said information, material, Contracts and data shall not be furnished or disclosed to any other individual, or entity without the express written consent of Volvo Logistics Corporation.

VLC submits pricing and system information on the basis of non-disclosure by the recipient and all its personnel, subcontractors, agents, servants and consultants. The recipient will be responsible for ensuring the preservation of that confidentiality.

To the extent that it is legally possible, copyright in the systems described and the submissions in this Contract are and remain vested in VLC and may not be disclosed, published or repeated (as the case may be) without their consent in writing (not to be unreasonably withheld.)

To the extent that it is legally possible, all intellectual property in systems suggested, referred to, described and/or used in the course of the services proposed in this Contract is fully reserved and the recipient will ensure the preservation of such rights.

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1. Parties:

Volvo Logistics Corporation
S-405 08 Gothenburg Sweden (registered in Sweden with Company Registration
Number 556197-9732)

and

Supplier Number (Mandatory information)

Company name (Mandatory information)

Company registration number (or equivalent) (Mandatory information)

D&B D-U-N-S number (Mandatory information)

2. Background:

VLC is the owner of V-EMB and provides the service of letting User, under the terms and conditions of this Contract use the V-EMB.

3. Abbreviations:

GPA Global Packaging Account
LES Logistics Enterprise Solution
MSM Material Supplier Management
V-EMB all packaging materials provided and owned by VLC
VLC Volvo Logistics Corporation
VGLSP Volvo Group Logistics Services Portal

4. Contract Number/Global Packaging Account Number:

1. Contract number/user account number issued by VLC must be quoted in all correspondence and utilised for web access to the Volvo Group Services Portal (VGLSP).
2. This Contract is personal to VLC and User.

5. Scope:

1. The objective of this Contract is to regulate the ownership, ordering, transportation, delivery, physical treatment/use, storage, stock take, administration, audits and payment of V-EMB pursuant to the requirements of VLC.
2. Upon signing of this Contract, both parties acknowledge User's right and duty to use V-EMB and VGLSP in full accordance with the rules and regulations as stated in this Contract and User Handbook.
3. VGLSP, User handbook and packaging catalogue may be found through the internet address <http://logistics.volvo.com>. These may be subject to change from time to time but alterations (including to the web address) will be notified to User prior to change. In case User should object to any changes that may be made to the Handbook during the term of the Contract then, if the Parties cannot agree, either Party shall have the right to terminate this Contract with not less than 30 days prior notice in writing.

4. This Contract applies only to the usage of V-EMB and other packaging materials owned by VLC, hence no other packaging materials are subject to the Contract.

6. Ownership and Use:

V-EMB is owned by VLC and the V-EMB cannot be transferred or used in any other way than described in this Contract, nor may any right to possession be acquired by User or any person claiming in, under or through it.

7. Requesting V-EMB:

1. V-EMB may only be requested by and delivered to VLC authorised users having their own valid account number.
2. User is responsible for requesting the quantities needed via VGLSP. Instructions on how to request V-EMB can be found in the "User handbook" on VGLSP (Packaging Info & Guidelines). Stipulated ordering time limits must be fully complied with to enable deliveries as requested. Transport cost related to requests on behalf of User for delivery of V-EMB on shorter notice than stipulated by normal order procedure shall be paid by User.
3. In the event of system problems with VGLSP the User must report the issue immediately to VLC for support.
4. VLC has the right to adjust requests for V-EMB at any time if User is in breach of this Contract or for any other reason which is consistent with packaging pool management.
5. VLC has the right to combine delivery of orders from User in order to improve operational efficiency. Changes to the requested deliveries are kept visible on User's account via VGLSP.

8. Transportation:

1. Carriers are contracted by VLC, which shall perform the deliveries of empty V-EMB from VLC terminals to User (at the cost of VLC, unless a shorter lead time than stipulated is requested by User).
2. User will ensure that the carriers are informed in writing of any necessary features of User's site (including health and safety rules) and of unacceptable times for access. User will ensure efficient access (entrance, turn around and departure) for the carrier. User is obligated to inform VLC in case of any special circumstances such as shorter opening hours, closures etc.
3. User will ensure that carriers are given access at reasonable times for familiarising themselves with User's site before first delivery.
4. User will report to VLC any carrier quality issues, e.g. badly loaded or damaged packaging, environmental failure, and breach of instructions at User's site, as well as documentary or personnel problems.
5. VLC will strive to optimize the transport network by harmonizing the packaging flow with material flow.

9. Release of V-EMB:

1. User is obligated to control and inspect quantity and quality at the receipt of delivery of V-EMB against delivery documentation and to notify VLC immediately in writing in case of any deviations and not use such V-EMB. Such faulty or damaged V-EMB will be collected by VLC at VLC's cost, provided User makes it readily available for collection at the time and in the quantities reasonably requested by VLC.
2. If V-EMB is not delivered on time, VLC shall as soon as it has become aware of the delay inform User of such delay. User has the obligation to ensure the use of alternative packaging after consultation with the receiving part. In those exceptional situations alternative packaging should be paid for by User.
3. V-EMB received without delivery documentation registered at VGLSP shall immediately be notified to the despatcher for registration of Delivery Note, and if uncorrected, the deviation should be reported to VLC as soon as possible but not later than within 7 calendar days.

10. Physical treatment/use of V-EMB:

1. User is responsible and accountable for the V-EMB from the receipt of the V-EMB at the gate until the dispatch of such V-EMB.
2. User shall register and control all movements of V-EMB in VGLSP immediately, following the physical flow, in order not to be held liable for losses of V-EMB due to unregistered movements.
3. User is only allowed to use V-EMB as transport packaging for despatches of goods to other VLC approved users. Specific rules and regulations for international shipments of packaging must always be followed.
4. User must ensure that it is not overstocked with regard to production plant needs. In consultation with VLC any overstocked V-EMB shall be returned at the cost of User. VLC will bear the cost of the return freight in cases where the surplus is caused by faulty deliveries from VLC and User has followed the instructions.
5. All V-EMB must be stored and loaded according to the instructions available on VGLSP and must be filled safely and securely with all appropriate accessories correctly fitted.
6. V-EMB to be returned to VLC shall be sorted and bundled according to the instructions available on VGLSP.
7. V-EMB must be stored in a safe and clean area to avoid loss, contamination, damage or theft.
8. It is the responsibility of User to insure the V-EMB against usual property risks e.g. fire, storm, flood, for the benefit of VLC.
9. User is not allowed to add or remove any physical appearance to V-EMB. However, in the event of old labels not being removed, these shall be removed before using the V-EMB for dispatch. All marking and usage of the V-EMB must be applied strictly in accordance with rules as described in the V-EMB "User Handbook" available on VGLSP.

11. Administration of V-EMB:

1. Delivery Notes shall always support all movements of V-EMB and must be reported within twenty-four hours (24h) via VGLSP.
2. Delivery Notes must be registered by User for every despatch on individual type of V-EMB and on individual receiver, including inserts and faulty packaging. User is responsible for ensuring that lawful transport documents are printed and available with the packaging.
3. It is the duty of User to check status of its VGLSP User account and to report forthwith any differences between account and physical stock levels.
4. User must ensure the accuracy of all records in the User account reported via VGLSP. In case of faulty reporting, unless User can provide sufficient explanation, the discrepancy will be treated as lost packaging. Lost packaging will be invoiced according to section 12.2.
5. VLC and User accept that information about stock account may be shared with their partners.
6. System problems when using VGLSP shall be reported to VLC without delay.

12. Audits and Stock Take:

1. Quality audits may be undertaken at any time during ordinary working hours by VLC with the objective of eliminating wrong or incorrect use or handling of packaging or VGLSP. User must support the quality audits and the auditor.
2. Wrong or incorrect use of V-EMB and its correction will be invoiced at the rate stated in the latest version of replacement cost ("Replacement Fee") price list.
3. Specific stock take to be performed by User are called at times convenient to VLC on approximately 30 calendar days' notice through the VGLSP.
4. User shall perform the stock take and report the actual physical value for the date of the stock take via VGLSP within the time plan communicated by VLC.

5. Stock take and stock differences are based on each packaging type level.
6. User will receive reports of stock differences and shall provide satisfactory explanation according to the communicated time plan in case of discrepancies. Revealed physical surplus will be added to the balance of the User account and unexplained shortages will be treated as lost packaging. V-EMB that is lost or cannot otherwise be accounted for shall be invoiced to User as lost packaging.

13. Payment and Charging:

1. For the use of V-EMB, transaction charges are not applicable to User when V-EMB is sent to an approved AB Volvo location, or if VLC has a subsisting agreement with another entity that agrees to bear the cost for the specific flow of V-EMB. In the event the V-EMB is sent to a non-AB Volvo location, User will be invoiced according to attached price list for transaction fee ("Usage Fee"). For detailed explanation of the charges, please see definitions in the User handbook (Pricing for the use of V-EMB).
2. For the defaults and failures by User to follow the requirements of this Contract, charges are invoiced to User. VLC invoices the replacement cost ("Replacement Fee") to cover lost or damaged packaging and time based cost for the administration and/or correction of this and other incurred defaults and failures.
3. Such part of User's stock of V-EMB which exceeds 21 days, however for certain packaging types 10 days, see User Handbook for details (based on average use of V-EMB per packaging type) will be charged a Rental Fee.
4. All invoices are due and payable within 30 days from the invoice document date, unless otherwise specified in the invoice.
5. Invoices shall be paid without deduction or set-off.
6. Failure to pay the invoice on the due date is a serious deviation and is regarded as a major breach to this Contract and may result in stopped deliveries of V-EMB.
7. Interest will be charged on overdue payments and will be calculated according to an annual interest rate of 12% on the due amount from the due date until the date of payment, unless otherwise specified in the invoice.
8. If payment is not made on the due date, User hereby irrevocably and unconditionally agrees that VLC may, upon prior written notice, off-set its claim under this Contract against any due debt that any company within the Volvo Group of Companies may have to User.
9. VLC makes yearly revision of prices and fees. Prices and fees may be changed on 30 days written notification via VGLSP by VLC at any time, following which period the prices and fees in such notification shall be payable.

14. Liability:

VLC is not responsible for any direct or indirect cost, which is incurred by User due to the use of or lack of packaging.

15. Confidentiality:

User pledges not to disclose any information about the services (including process, technical specifications or prices) to any person without the approval of VLC, which shall not be unreasonably withheld.

16. Duration and termination:

1. This Contract may be suspended indefinitely for non-payment in whole or in part, or if User is persistently in breach of its obligations and liabilities under this Contract.
2. This Contract may be terminated by either party on one month's written notice given at any time.
3. Following termination of the Contract all packaging shall be returned to VLC at the cost of User. Also at the cost of User, if User does not comply, VLC reserves the right to enter upon any premises where the packaging may be to collect the same. Charges shall continue to accrue according to Article 13 until all packaging is directly returned to VLC or is treated as lost and charged as lost packaging.

4. On termination, all unpaid charges, whether arising before or continuing after termination, shall immediately become due and payable.

17. Applicable Law and Arbitration:

This Contract and any dispute relating thereto shall be governed by and construed in accordance with Swedish substantive law with the exclusion of any other law, and any dispute relating hereto (unresolved between the parties) shall, if such dispute includes any international, i.e. cross border, use or matter; or both international and domestic use; be referred by either party to Arbitration to be finally settled in accordance with the rules of the Arbitration Institute of the Stockholm Chamber of Commerce.

The laws of the People's Republic of China shall apply to this Contract and any disputes thereto (unresolved between the parties) if such dispute includes only and solely national, i.e. domestic, related use or any other domestic matter; and such disputes may be referred by either party to Arbitration pursuant to the arbitration rules of China International Economic and Trade Arbitration Commission ("CIETAC").

18. Amendments, Variations and Waivers:

Amendments, variations and waivers are only valid if in writing and signed by VLC and User.

19. Signatures:

This Contract has been signed in duplicate of which the parties have taken one each.

In case of multi-language versions and translation, English version shall prevail if there is any discrepancy between the English version and any of its translations.

Date: _____

Volvo Logistics Corporation

Date: _____

Company Name:

Signature

Name in block capitals

Signature

Name in block capitals