

VOLVO Group General Purchasing Conditions for Project Deliverables

These General Terms and Conditions shall apply to all purchases of advisory services in the form of Project Deliverables, within the VOLVO Group unless otherwise agreed.

1 DEFINITIONS

- 1.1** The following definitions shall have the meaning as set out below. Terms defined in these General Purchasing Conditions shall have the same meaning in all documents being part of the Agreement, unless the context expressly provides otherwise.
- 1.2** "AB Volvo" shall mean the Swedish company AB Volvo which is the parent company of the VOLVO Group.
- 1.3** "Agreement" shall mean the agreement that a VOLVO Group Company has entered into with SUPPLIER for the supply of advisory services, including these general terms and conditions, and, if applicable, any Master, Stand-Alone or Specific Service Agreement and/or all other appendices and attachments executed by the Parties.
- 1.4** "Contractual Obligations" shall mean all the obligations that arise from the Agreement regarding the delivery of the Services.
- 1.5** "Defective Service" shall mean any Service not meeting the requirements set out in section 7.3.
- 1.6** "Deliverable" shall mean all products, documents, software, training sessions, reports, presentations, still or moving pictures, picture creations, designs or other tangible and/or intangible results and outcome, developed, experienced or otherwise obtained during the course of performing the Services. Reference herein to "Services" shall be deemed to include all Deliverables provided hereunder where applicable.
- 1.7** "Intellectual Property Rights" shall mean all current and, as applicable, future forms of intellectual property rights in any country or region, including but not limited to patents, utility models, designs, copyrights, topography rights, photographs, computer software, rights in databases and any other similar property in any country (whether or not registered or registerable and including applications for registration of any such intellectual property rights).
- 1.8** "Know-How" shall mean all confidential or non-confidential knowledge or business information of any nature or form and in any way created, including but not limited to research and development, data and records, inventions, discoveries, ideas, processes, formulae, drawings, specifications, descriptions, methods, routines, manuals, instructions, production data, experiences and other technical or commercial know-how as well as all books and records in whatever form in relation to the foregoing.
- 1.9** "Master Agreement" shall mean a framework agreement that AB Volvo or a VOLVO Group Company may have entered into and which main objective is to form the basis for supply to VOLVO Group Companies.
- 1.10** "Party" shall mean VOLVO and SUPPLIER, respectively.
- 1.11** "Parties" shall mean VOLVO and SUPPLIER, collectively.
- 1.12** "Project Deliverables" shall mean advisory projects characterized by defined Deliverables and that SUPPLIER has sole discretion in terms of arranging and planning the project resources. Remuneration is being done through fixed rates for defined categories and Deliverables or fixed project price for defined Deliverables.
- 1.13** "Service" shall mean all advisory services and all other provision of professional services, including but not limited to engineering, support and maintenance services, management services, training services, and/or other services as applicable and ordered by a VOLVO Group Company and supplied by SUPPLIER in accordance with the Agreement, and shall be deemed to include any Deliverables provided hereunder where applicable.
- 1.14** "Specific Services Agreement" shall mean a sub agreement for the delivery of specific Services ordered under the Master Agreement that AB Volvo or a VOLVO Group Company may have entered into. Each Specific Service Agreement shall be in a form substantially similar to the form agreed upon by the Parties in the Master Agreement or case by case and shall set forth, where applicable (i) the specific Services and Deliverables to be delivered by SUPPLIER, (ii) the fees and expenses to be paid by the VOLVO Group Company, (iii) the time schedule for delivery and implementation of the Services and Deliverables, (iv) the payment plan, (v) the project organisation (vi) the criteria for testing and measuring the Services and Deliverables and (vii) any other matters to be determined by the Parties.
- 1.15** "Stand-Alone Agreement" shall mean a one-time agreement that AB Volvo or a VOLVO Group Company may have entered into and which main objective is to define the supply for a specific supply to the VOLVO Group Company being part of the Stand-Alone Agreement.
- 1.16** "SUPPLIER" shall mean the party to an Agreement that supplies, or is intended to supply Services to a VOLVO Group Company.
- 1.17** "SUPPLIER Group" shall mean (i) SUPPLIER and (ii) any entity in which SUPPLIER owns, directly or indirectly, more than 50% of the share capital and/or controls, directly or indirectly, more than 50% of the votes.
- 1.18** "SUPPLIER Group Company" shall mean any company belonging to the SUPPLIER Group.

- 1.19** "SUPPLIER Portal" shall mean the internet home page <http://www.volvogroup.com/suppliers/global/en-gb/> and any subsequent replacement of the same.
- 1.20** "VOLVO" shall mean the Volvo Group Company that has issued a purchase order to SUPPLIER.
- 1.21** "VOLVO Group" shall mean (i) AB Volvo, (ii) any entity in which AB Volvo 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) Dongfeng Nissan Diesel Motor Co. Ltd. China and VE Commercial Vehicles Ltd. India, and any and all future joint ventures.
- 1.22** "VOLVO Group Company" shall mean any company belonging to the VOLVO Group.

2 GENERAL RULES

- 2.1** SUPPLIER shall perform its Contractual Obligations under the purchase order in accordance with VOLVO's instructions, provided that such instructions are not inconsistent with the terms of the Agreement. All Contractual Obligations shall be delivered with promptness, diligence and efficiency and in a safe, professional and workmanlike manner and SUPPLIER shall use qualified persons fully familiar with the requirements and the materials and technology used.
- 2.2** SUPPLIER is obliged in the course of performing its Contractual Obligations to collaborate with any other suppliers designated by VOLVO.
- 2.3** Whenever SUPPLIER for the performance of its Contractual Obligations deems it necessary to perform services which are in addition to those agreed in the Agreement, SUPPLIER shall without delay inform VOLVO thereof. VOLVO must approve such additional services and associated remuneration in writing before the services begin. Minor variations that do not have a significant impact on the project scope shall be deemed to be included in the agreed remuneration. Major variations that substantially alter the project scope shall be deemed to be outside and shall hence be quoted separately. SUPPLIER acknowledges that VOLVO may choose to contract a third party to perform work related to such major changes.
- 2.4** SUPPLIER is responsible for ensuring that all taxes and charges due for personnel, for whom the SUPPLIER is responsible as employer or principal and who perform any Contractual Obligations for VOLVO, are paid in accordance with prevailing laws and collective agreements.
- 2.5** SUPPLIER may only use its own employees for the performance of its Contractual Obligations and may not engage the services of subcontractors for the supply of Services covered by the Agreement unless agreed otherwise with VOLVO. Any exceptions shall be approved in writing by the person responsible at VOLVO before such services commence. If SUPPLIER, following approval by VOLVO, engages the services of a subcontractor, SUPPLIER is responsible for the work performed by the subcontractor in the same way as for its own work.
- 2.6** SUPPLIER guarantees the availability of the required resources for the whole duration of its Contractual Obligations according to the Agreement. In particular, SUPPLIER guarantees (i) the levels of skill and knowledge of those involved in supplying the Services and (ii) the constant availability of these resources. SUPPLIER shall take, without any additional cost for VOLVO, all the measures necessary to limit as far as possible any dysfunction and negative consequences for the good progress of its Contractual Obligations in the event of unavailability of agreed levels of skill and knowledge.
- 2.7** It is at SUPPLIER's sole discretion to determine the size, composition and distribution of the project team as stated in the Agreement. Any significant change in the resource team as agreed upon in the Agreement however requires a change request initiated by the Party requesting the change. VOLVO shall however at all times be allowed to question any candidate being assigned a key-role in a project by SUPPLIER in case such candidate is considered unsuitable for any reasonable motive presented by VOLVO.
- 2.8** If any Services are performed at VOLVO's premises, SUPPLIER personnel shall observe company policies and procedures, the working hours, safety instructions and other instructions applicable at the location at which the Services are performed. Upon expiry or termination of the consultancy engagement, SUPPLIER shall return, and shall cause its assigned personnel to return, to VOLVO all equipment, properties and materials that are owned by VOLVO or otherwise have been made available to SUPPLIER during the term of the consultancy engagement.
- 2.9** SUPPLIER undertakes to comply with the Volvo Group Code of Conduct and Volvo Group Environmental Policy, as well as to ensure compliance with VOLVO's key element procedures within purchasing as stated on the VOLVO Group Supplier Portal / Our Requirements: http://www.volvogroup.com/suppliers/global/en-gb/aboutus/purchasingorganisation/VolvoGroupPurchasing/nap/Pages/our_requirements.aspx
- 2.10** SUPPLIER is responsible for ensuring that its personnel performing the Services are informed about and fully comply with the principles as listed in section 2.9 above or otherwise do not engage in any acts or omissions which are inconsistent with the Agreement.
- 2.11** SUPPLIER must be able to document its environmental work, organisation, compliance with legal requirements and environmental results.

3 INFORMATION

- 3.1** Each Party shall continuously inform the other Party of all matters of importance to the Parties' performance under the Agreement, including particular risks that exist or which could arise in conjunction with the performance of SUPPLIER's Contractual Obligations. In all communication, the Parties shall express themselves with such clarity and with such means as are required in order to ensure a correct performance in all respects.
- 3.2** SUPPLIER shall inform VOLVO immediately if there is a risk that SUPPLIER cannot fulfil its Contractual Obligations and shall take all reasonable actions to fulfil such obligations.
- 3.3** SUPPLIER shall provide VOLVO on an annual basis with its latest annual report as soon as it is available as well as any other information that may be of importance for VOLVO to evaluate the relationship with SUPPLIER.

4 EQUIPMENT

Where required for the performance of its Contractual Obligations, connection to VOLVO's network shall, as far as possible, be established using VOLVO's equipment. If equipment owned by SUPPLIER nevertheless has to be connected to VOLVO's systems, the equipment must first have been approved by VOLVO and throughout the duration of the Agreement it must be used in accordance with VOLVO's security regulations and other applicable instructions.

5 NO EXCLUSIVITY

The VOLVO Group shall not be obliged to award any business to SUPPLIER Group under the Agreement. Consequently, the Agreement is non-exclusive and the VOLVO Group reserves the right to purchase the same or equivalent Services from other suppliers. The Parties further agree that any estimated or forecasted quantity, volume or value of purchases of Services, whether contained in the Agreement or in any communication between the Parties, shall be deemed to be only estimate or forecast devised for the convenience of the Parties.

6 DELIVERIES

- 6.1** The Services are normally governed by a time schedule in the Agreement. If no such time schedule has been drawn up, SUPPLIER shall perform the Services promptly and in accordance with the highest industry practice.
- 6.2** SUPPLIER shall immediately inform VOLVO if there is a risk of non compliance with the most recent time schedule agreed by the Parties. SUPPLIER shall at all times take all reasonable measures to avoid any such variation.

7 WARRANTY

- 7.1** SUPPLIER shall ensure it has obtained all information on the intended use of, application or and other conditions affecting the Services and results thereof. VOLVO shall upon request from SUPPLIER provide all information which VOLVO in its sole discretion deems relevant for the design and development of the Services.
- 7.2** SUPPLIER warrants to VOLVO that (i) SUPPLIER is a corporation organized, validly existing and in good standing under the laws of the country where its principal office is registered, (ii) the execution of this Agreement and the conclusion of any Agreement will not violate any agreements which SUPPLIER has with any third parties, (iii) SUPPLIER has full power and authority to enter into and complete all aspects of the Agreement.
- 7.3** SUPPLIER furthermore warrants that all Services performed and Deliverables supplied (i) shall be in accordance with and conform to the specifications set out in the Agreement and (ii) shall be fit for its intended purpose.

8 ASSISTANCE

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 SUPPLIER's personnel concerning the Services to be furnished under a purchase 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 SUPPLIER's liability to fully perform its obligations under the Agreement and/or purchase order. In all cases, and as acknowledged by SUPPLIER, VOLVO is relying upon SUPPLIER's knowledge and expertise in performing all work regarding the Services to be furnished under a purchase order.

9 LIABILITY FOR DEFECTS AND DELAYS

- 9.1** Following SUPPLIER's delivery of the Services and written notification thereof, testing and review will be performed by VOLVO in accordance with generally acceptable business testing standards and procedures. Such testing shall be completed within the time period stipulated by the Parties in the Agreement or, if no such period has been prescribed, within 60 calendar days from the date of VOLVO's receipt of the Services. Upon completion of testing and review by VOLVO or by the expiration of such testing and review period as set forth above, VOLVO shall submit a written statement indicating acceptance of the Services or specifying in sufficient details how the delivered Services fail to fulfil VOLVO's requirements, in which case SUPPLIER shall provide all necessary resources to correct any non-conformities.
- 9.2** Services shall be deemed to be fully and finally accepted by VOLVO in the event VOLVO has not submitted a written statement to SUPPLIER before the expiration of the applicable testing and review period, except in cases the defect could not have been discovered during the testing. The warranty period starts at the end of the test and review period.
- 9.3** **Defects.** In the event that a Service and/or Deliverable, as applicable, (i) does not fulfil the requirements set out in section 7.3 (a Defective Service), (ii) has not been caused by any breach of this Agreement by VOLVO and (iii) has been reported to SUPPLIER by VOLVO within 180 days of acceptance of the Services and/or Deliverables, then such Service and/or Deliverable shall be immediately corrected or remedied free of charge by SUPPLIER if requested by

VOLVO.

- 9.4** If a Defective Service cannot be corrected or remedied without delay, if such correction is deemed impossible or if there is a risk of production disturbances at VOLVO or delivery disturbances from VOLVO, VOLVO shall be entitled to a reduction of the agreed fee to an amount equivalent to the defect. If the defect is material to VOLVO, VOLVO is entitled to terminate the Agreement or purchase order in question in its entirety or to the part attributable the defect or shortcoming, and/or claim compensation for the damage, cost or loss incurred by VOLVO as a result of the Defective Service.
- 9.5** If VOLVO accepts any Services and/or Deliverables that do not conform to the terms of the Agreement this will not relieve SUPPLIER of its obligations to correct any such non-conformance or preclude from any remedy under the Agreement.
- 9.6** **Delays.** In the event of a late delivery of the Services, and such delay has not been caused by a breach of this Agreement by VOLVO, VOLVO is entitled to (i) completely or partly terminate the purchase of the Services which VOLVO does not consider having any use of due to the late delivery, and (ii) make substitute purchases from other suppliers. 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.

10 OTHER SANCTIONS

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

11 INTELLECTUAL PROPERTY RIGHTS

- 11.1** SUPPLIER may only use the Intellectual Property Rights of VOLVO and VOLVO Group Companies for the supply of Services to VOLVO and Volvo Group Companies and may not use such Intellectual Property Rights for the supply of services to any other party.
- 11.2** SUPPLIER hereby transfers to VOLVO the ownership of the Deliverables and other results of the Services, including the ownership of any and all Intellectual Property Rights and Know-How. SUPPLIER warrants that it at the time of transfer owns all rights to such results as well as that it is entitled to transfer such rights to VOLVO.
- 11.3** By way of clarification, section 11.2 shall not apply to Intellectual Property Rights or Know-How owned or licensed by SUPPLIER prior to the commencement of the Services, or which SUPPLIER can demonstrate were developed entirely independently of the Services.
- 11.4** The transfer of rights to VOLVO is exclusive, worldwide, perpetual and complete and covers the right to use, transfer and publish results in any form, for any purpose and to any medium, as well as to modify and alter the results. In addition hereto, VOLVO is also without restriction entitled to transfer or license, wholly or partially, all rights to the results to third parties.
- 11.5** In the light of the purpose of VOLVO's acquisition of the rights to the results of the Services – which must be possible to alter and modify in order to be used in different contexts – SUPPLIER warrants that the respective originators of the results have waived their right to oppose changes in the results and their right to be mentioned as originators with regard to use of or modification and alteration of the results in accordance with the provisions of the Agreement.
- 11.6** VOLVO also acquires the ownership of the originals of the results in the form of prototypes, forms, manuscripts, photographic negatives, image creations or the like, in analog and/or digital form and SUPPLIER undertakes, at the request of VOLVO, to hand over any and all such originals to VOLVO.
- 11.7** SUPPLIER undertakes, in return for reasonable compensation, to assist VOLVO in the drafting and signing of documents which are necessary for VOLVO to be able to register rights relating to the results of the Services.
- 11.8** SUPPLIER is responsible for ensuring that any and all Services delivered to VOLVO do not infringe the Intellectual Property Rights of any third party. SUPPLIER will, at its own cost and expense, indemnify and hold VOLVO and all VOLVO Group Companies harmless against any and all claims that may be brought against VOLVO, VOLVO Group Companies and/or anybody that uses the results of the Services, as applicable, that any Service(s) delivered by SUPPLIER, or any element thereof, infringes the Intellectual Property Rights of a third party. Without limitation of the foregoing indemnity, SUPPLIER additionally agrees that in such cases of alleged infringement SUPPLIER shall either promptly replace the allegedly infringing results of the Service(s), as applicable, with another result, as applicable, or promptly obtain all necessary consents for the continued use of such result(s), as applicable. Said undertaking shall not apply to the extent, if any, VOLVO has performed development or design work demonstrably and proximately causing such allegations. 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.
- 11.9** SUPPLIER shall not use any corporate name or trademarks belonging to or licensed to VOLVO or any VOLVO Group Company other than as instructed by VOLVO in writing.

12 GRANT OF LICENSE

- 12.1** SUPPLIER, for good and valuable consideration, the sufficiency and receipt of which is recognized, hereby grants VOLVO, at no additional cost beyond that expressly agreed to in writing by the Parties under the Agreement as remuneration for the performance of the Services, a worldwide, perpetual and non-exclusive license to use the Intellectual Property Rights and Know-How owned or licensed by SUPPLIER and which are not covered by the transfer in Section 11, provided that such Intellectual Property Rights and Know-How are required for VOLVO's contractual use of the Deliverables and other results of the Services.

12.2 All rights, obligations and guarantees which cover the results of the Services under Section 11, shall also cover the license granted in Section 12.1 in order for the license not to limit VOLVO's contractual use of the Deliverables and/or other results of the Services.

13 INSURANCE

SUPPLIER shall have and maintain adequate general liability insurances for itself, its employees and its subcontractors covering SUPPLIER's commitments under the Agreement and customary for enterprises operating in the same line of business as SUPPLIER. SUPPLIER shall at VOLVO's request supply VOLVO with a copy of the insurance certificates.

14 CONFIDENTIALITY

14.1 All information, equipment, know-how and technical documentation, including electronically stored data and computerised geometries, to which a Party has obtained access through the Parties' business relationship, shall for the duration of the Agreement and for ten (10) years thereafter be treated as confidential and may not be used for any purpose other than for the deliveries to VOLVO. The information may not be shown to or in 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 fulfilment of a Party's obligations and with regard to the applicable copyright laws and regulations. However, the foregoing restrictions do not apply to information which (i) is or at any time becomes known to the public other than by breach of this Agreement, (ii) a Party can show was in its possession before receiving it from the other Party, or (iii) a Party receives from a third party without restraints as to the disclosure thereof.

14.2 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 legally possible, require the receiver of the information to treat it confidential as required in section 14.1.

14.3 SUPPLIER may not publicise this business relationship through advertising or in any other way without the written consent from VOLVO.

14.4 SUPPLIER shall at VOLVO's request either return or destroy everything referred to in section 14.1 and received from VOLVO or ascertained through its business relationship with VOLVO, including copies thereof.

15 INVOICING/PAYMENT

15.1 Unless otherwise agreed, invoicing shall take place in accordance with the agreed invoicing plan or once a month in arrears.

15.2 Unless otherwise agreed between the Parties or prescribed by mandatory legislation in the jurisdiction of VOLVO, payment shall be made in accordance with the following: Free delivery month based upon receipt of invoice or Services (whichever is latest) + three (3) calendar months of credit, paid according to the VOLVO Group payment calendar published on the SUPPLIER.

15.3 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.

15.4 Any VAT incurred must be specified as a total separate amount.

15.5 The Parties agree, if legally and technically possible, to implement communication and invoicing through electronic data interchange (EDI).

15.6 Where VOLVO disputes an item invoiced by SUPPLIER or requires additional supporting documentation, VOLVO shall notify SUPPLIER thereof, specifying the disputed item, and requesting SUPPLIER to issue a credit note for the unaccepted part or whole of the invoice as applicable. Without prejudice to VOLVO's other rights and remedies, VOLVO may deduct from any payments due to SUPPLIER the amount of any bona fide contra accounts or other claims which VOLVO or any Volvo Group Company may have against SUPPLIER.

15.7 Payments by VOLVO shall not constitute approval of work or settlement of a dispute or relieve SUPPLIER of any obligations under this Agreement.

16 TRAVEL

16.1 Travel and accommodation expenses will only be refunded to SUPPLIER if expressly agreed upon with VOLVO in the Agreement. Such expenses are to be invoiced in accordance with VOLVO's regulations.

16.2 Compensation for travel, subsistence and accommodation is limited to actual costs or the maximum according to VOLVO's travel regulations applicable at the time of travel, whichever amount is lower. The method and standard of travel and accommodation must be specified for each travel.

17 DATA PROTECTION

17.1 As part of providing the Services to VOLVO, SUPPLIER will process certain personal data on behalf of VOLVO (the "Data Controller") in relation to the Data Controller's employees, consultants, customers and/or other persons whose personal data are collected and processed by the Data Controller ("VOLVO Data").

17.2 SUPPLIER may process VOLVO Data only for purposes necessary for the provision of the Services and only in accordance with the instructions from Data Controller. SUPPLIER shall at all times act in accordance with applicable data protection legislation (including but not limited to the Personal Data Act (*Swe. Personuppgiftslagen*) and EC Directive 95/46 on the protection of individuals with regard to the processing of personal data and on the free movement of such data) and shall stay informed of its content. Further, SUPPLIER shall ensure that all of its employees and any subcontractors act in accordance

with this Agreement and the applicable data protection legislation and follow instructions that may be given from time to time by the Data Controller.

17.3 SUPPLIER shall implement and maintain appropriate technical and organisational measures to protect any and all VOLVO Data that may be transferred to SUPPLIER in connection with the Services.

17.4 In the event that SUPPLIER wishes to contract a subcontractor for the supply of Services or part thereof, SUPPLIER shall prior thereto contact VOLVO and assist VOLVO in establishing a data processor agreement between, on the one hand VOLVO and other Data Controllers, and, on the other hand, such subcontractor (including, where applicable, also agreement on standard contractual clauses for the transfer of personal data to processors established in third countries).

17.5 SUPPLIER shall defend, indemnify and hold harmless VOLVO from any and against all losses, damages, costs and expenses incurred as a result of the breach by SUPPLIER of this section 17.

17.6 It is SUPPLIER's responsibility to permanently destroy the VOLVO Data upon request, with special emphasis on destroying all data in scope in all locations, and provide a written certification of the destruction. SUPPLIER shall in its own discretion determine data destruction schedules but shall wherever possible perform such destruction in accordance with VOLVO's requested timetable. SUPPLIER shall have the obligation to wipe persistent media used for storing VOLVO Data or secure deletion of VOLVO Data with related techniques before it is released into re-use.

17.7 SUPPLIER shall not export personal data outside the EEA without the prior written approval of VOLVO. If such approval is granted, SUPPLIER shall comply with any requirements established by any relevant data protection authorities or other regulatory authorities necessary for the granting of approval by such authorities for the export of personal data outside of the EEA. If applicable, SUPPLIER shall sign, execute, file and obtain any necessary approvals with relevant authorities and adhere to the EU standard contractual clauses for transfer of Personal Data to processors established in third countries, under Directive 95/46/EC.

18 FORCE MAJEURE

18.1 "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 the purchase 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 SUPPLIER and/or its subcontractors or agents shall not be deemed as events of Force Majeure.

18.2 If an event of Force Majeure occurs, a Party's Contractual Obligation 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.

18.3 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.

18.4 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 endeavours to minimize the consequences of such Force Majeure. If the consequences of the Force Majeure continue for a period of more than 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 Agreement.

19 NO PARTNERSHIP

Nothing in the Agreement or any of the transactions, obligations or relationships contemplated hereby shall constitute either SUPPLIER or VOLVO as the agent, employee or legal representative for the other of any purpose whatsoever, nor shall SUPPLIER or VOLVO hold itself out as such. The Agreement does not create and shall not be deemed to create a partnership, joint venture associates or principal-and-agent between SUPPLIER and VOLVO hereto and save as expressly provided in the Agreement, neither SUPPLIER nor VOLVO shall enter into or have authority to enter into any engagement or make any representations or warranty on behalf of or pledge the credit of or otherwise bind or oblige the other Party hereto.

20 WAIVER

No waiver by either Party of any breach of the 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 SUPPLIER about a delayed delivery shall not affect VOLVO's rights to impose a sanction in accordance with the Agreement.

21 SEVERABILITY

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

22 TRANSFER AND ASSIGNMENT OF AGREEMENT

A Party may neither transfer nor assign its rights or obligations under the Agreement without the written consent of the other Party. VOLVO may however transfer or assign such rights or obligations to any other company within the VOLVO Group without consent.

23 LEGAL REQUIREMENTS

Each Party shall comply with all laws and regulations relevant to the performance under the Agreement. This will include but not be limited to SUPPLIER's obligation to treat dangerous goods in accordance with local national and/or international law.

24 TERMINATION

24.1 Either Party is entitled to terminate the Agreement with immediate effect and without any liability for compensation due to such termination if:

(a) the other Party should commit or permit a material breach of any of the obligations contained herein and if any such breach has not been cured within thirty (30) days of written notice from the non-breaching Party specifying the nature of the breach;

(b) the other Party enters into compensation proceedings, is declared bankrupt, goes into liquidation or for any other reason can be assumed to have been come insolvent; or

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

24.2 The Agreement can also be terminated in accordance with section 18.4 above.

24.3 In addition to any other right of VOLVO to terminate the Agreement, VOLVO may, at its own discretion, with immediate effect terminate a purchase order as regards its non-performed parts. Upon such termination, VOLVO shall pay to SUPPLIER the agreed price for all Contractual Obligations that have been completed and delivered in accordance with the Agreement and not previously paid. SUPPLIER shall furthermore be entitled to payment for reasonable costs unavoidably incurred subsequent to that date in the course of winding up the work, always provided that SUPPLIER shall use its best endeavours to minimise such costs. Except as provided in this section, VOLVO shall not be liable for and shall not be required to make any payments to SUPPLIER, directly or on account of claims by SUPPLIER's subcontractors, for loss of anticipated profit, unabsorbed overheads or other costs or charges in relation to the termination of the Agreement and under no circumstances shall the total amount of payment owed by VOLVO to SUPPLIER under this clause exceed the total remuneration of the purchase order in question.

24.4 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 Agreement, the provisions of section 6, 7, 9, 10, 11, 12, 14 and 17 will survive the expiration or termination of the Agreement.

25 APPLICABLE LAW

25.1 These General Purchasing Conditions for Project Deliverables and any Agreement shall be governed by and construed in accordance with Swedish substantive law unless the VOLVO Group Company issuing the purchase order has its place of business in France, Japan or in the United States of America.

25.2 If VOLVO has its place of business in France, then the Agreement shall be governed and construed in accordance with French substantive law.

25.3 If VOLVO has its place of business in Japan, then the Agreement shall be governed and construed in accordance with Japanese substantive law.

25.4 If VOLVO has its place of business in the United States of America, then the Agreement shall be governed and construed in accordance with the substantive laws of the state of North Carolina in the United States of America.

26 DISPUTES

26.1 Any dispute arising between VOLVO and SUPPLIER out of or relating to the Agreement shall promptly and in good faith be negotiated with a view to its amicable solution.

26.2 If, in accordance with Section 25.1 above the Agreement shall be governed by Swedish law and no amicable resolution or settlement is reached, then such dispute arising out of or relating to the Agreement shall be finally settled by arbitration in accordance with the rules of the Arbitration Institute of the Stockholm Chamber of Commerce applicable at the time arbitration is called for. The Institute's Rules for Simplified Arbitration Proceedings shall apply unless the Institute, considering the degree of difficulty of the case, the value of the dispute and other circumstances, decides that the Rules of the Institute shall apply to the proceedings. The arbitration proceeding shall be held in Gothenburg, Sweden, and be conducted in Swedish. If at least one of the Parties is domiciled outside of Sweden, the arbitration proceedings shall be conducted in English.

26.3 If, in accordance with Section 25.2 above the Agreement shall be governed by French law and no amicable resolution or settlement is reached, then such dispute arising out of or relating to the Agreement shall be settled by the Commercial Court of Lyon, France.

26.4 If, in accordance with Section 25.3 above the Agreement shall be governed by Japanese law and no amicable resolution or settlement is reached, then such dispute arising out of or relating to the 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, and be conducted in Japanese. If at least one of the Parties is domiciled outside of Japan, the arbitration proceedings shall be conducted in English.

26.5 If, in accordance with Section 25.4 above the Agreement shall be governed by the laws of the state of North Carolina and no amicable resolution or settlement is reached, then such dispute arising out of or relating to the Agreement shall be finally settled by arbitration in accordance with the 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 be conducted in English before a panel of three neutral arbitrators selected pursuant to such Rules, exclusively from a list of potential arbitrators supplied by the American Arbitration Association. A judgement 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 defence 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, provided that, 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.