



# SCANIA

## Scania General Purchasing Regulations

These General Purchasing Regulations shall, unless otherwise agreed upon in writing, apply to all orders submitted by Scania and agreements signed relating to purchases of products and related services within Scania. If in the confirmation of order or the invoice or elsewhere, the Supplier has specified regulations which are contrary to the instructions given in the purchasing conditions in Scania's order, Scania's conditions still apply even if Scania has failed to make objections to such regulations.

### 1 DEFINITIONS

Unless the context or circumstances clearly suggest otherwise, the following capitalized terms shall have the meanings stated below:

**"Agreed Delivery Date"** means the day on which the Product(s) and/or Service(s) shall be delivered according to the Contract.

**"Contract"** means frame agreement, contract, Purchase Order submitted by Scania and/or agreements signed relating to purchases of products and related services within Scania, between Scania and the Supplier.

**"Data Processing Agreement"** shall mean the data processing agreement between the parties in an appendix to this contract, if applicable.

**"Documentation"** means any human readable documentation in hard copy or electronic form, present and future manuals, specifications, instructions, user guides and other materials related to the Product(s) or Service(s), and any extracts, updates and copies thereof made in accordance with the Contract or furnished by the Supplier and/or available at the Supplier's website.

**"GDPR"** means the General Data Protection Regulation (2016/679).

**"Intellectual Property Rights"** also referred to as "IPR" means all patents, copyrights, design rights, trademarks, service marks, domain names, trade secrets, know-how, database rights and other rights in the nature of intellectual property rights (whether registered or unregistered) and all applications for the same, anywhere in the world.

**"Parties"** Scania and the Supplier jointly.

**"Personal Data"** shall have the meaning given to it in GDPR or any future act replacing it.

**"Product(s)"** means the product(s) to be delivered by the Supplier under the Contract.

**"Purchase Order(s)"** means an order submitted by Scania identifying Product(s) and/or Service(s) under the Contract.

**"Scania"** means Scania CV AB (publ.) with company registration number 556084-0976. If the regulations are used by a Scania Affiliated Company as the contracting Scania party then "Scania" shall mean such Scania Affiliated Company which has issued a purchase order to Supplier, as appropriate.

**"Scania Affiliated Company(s)"** means any company which Scania now or hereafter owns or controls, directly or indirectly, in any part. It shall also include TRATON SE and any legal entity that is, directly or indirectly, controlled by, or is commonly controlled with TRATON SE.

**"Service(s)"** means the installation service(s), development, design work or other service(s) that are to be performed by the Supplier under the Contract".

### 2 DELIVERY OF PRODUCT(S), SERVICE(S) AND DELAY

2.1 The Supplier shall provide Scania with Product(s) and Service(s) on the Agreed Delivery Date according to the Contract including appendices.

2.2 The Product(s) and Service(s) shall be provided with the functionality and quality specified in the agreed specifications. The Supplier undertakes to provide the Product(s) and Service(s) in a professional manner and according to the methods and standards ordinarily applied in accordance with good business practice.

2.3 The Supplier shall ensure that the Product(s) and Service(s) are delivered in accordance with any and all laws, regulations, and other provisions applicable from time to time. The Product(s) and Service(s) supplied by the Supplier should be provided with protective devices prescribed by the Japanese authorities, and also offer satisfactory protection against ill-health and accidents. The Supplier is responsible for ensuring that the design in other respects conforms with current legal requirements in Japan, and is also obliged to supply, free of charge, prescribed documentation concerning this such as a certificate for CE-marking.

2.4 The Supplier shall on an ongoing basis, and otherwise upon request from Scania during the execution of the Service(s), inform Scania of the progress of the work.

2.5 If the Supplier finds that the Agreed Delivery Date cannot be kept, or if it is probable that there will be delay, the Supplier must notify Scania of this without any delay and in writing. The Supplier must then state the reason for the delay and also the date when the delivery is expected to be made. Such notification does not exclude Scania of any right to consequences of such a delay. Delivery in advance is subject to prior agreement with Scania.

2.6 Unless otherwise agreed, Delivery of Products shall be made DDP (Incoterms) indicated recipient.

2.7 The title of the Products shall transfer upon delivery. The Supplier shall bear the risk until delivery has taken place. In case the Product(s) also include an installation phase then Supplier will bear the risk until such installation has been finalized and approved by Scania.

2.8 If any Services are performed at Scania's premises then Supplier's personnel shall observe the working hours, safety instructions and other instructions applicable at the location.

2.9 Those drawings, models, tools and technical documents, in all forms of media, relating to the manufacture of the product(s) or part thereof, or the implementation of service(s) handed over to the Supplier by Scania, shall remain the property of Scania. They must not be used, copied, or reproduced by the Supplier for any other purpose than internal use in connection with a tender or delivery to Scania, neither must they be handed over to or brought to the attention of a third party unless Scania has first given its approval. Those drawings and documents which have been handed over by the Supplier to Scania shall remain the property of the Supplier. They must not be copied or reproduced by Scania to any greater extent than what is necessary to have control of the delivery or part thereof, for installation of the Product(s) delivered, or to ensure their correct use and maintenance (including running repairs), neither must they be handed over or brought to the attention of a third party unless the Supplier gives his approval.

2.10 Unless otherwise agreed upon, the Supplier shall supply Scania, free of charge and at the latest in connection with delivery, with technical documentation that is sufficiently clear and detailed to enable Scania to implement installation, starting up, operation and maintenance (including running repairs) of all parts of the Product(s). The documentation should be written in Japanese or English. Delay in delivery of the technical documentation is to be compared with other forms of delivery delays.

2.11 The Supplier will review material and documentation provided by Scania and notify Scania immediately if the supplier sees that it is inconvenient or unsuitable to manufacture Products in accordance with the documents on information provided.

2.12 Delivery documents shall be issued and enclosed with the Product(s). Delivery documents shall state i.e. Product(s) address, company order number, company part number, description of the Product(s) and Service(s) and ordered quantity.

2.13 If delay is due to an occurrence mentioned in Clause 24 (force majeure), or if it is the consequence of an action by Scania or any failure on the part of Scania, the delivery date shall be extended by a reasonable period, taking into account the circumstances.

2.14 In the case of a delay in delivery (or part delivery) which is predictable for Scania and resulting from the fact that the Supplier has neglected essential duties, such as failure to start up the work in time or to adopt necessary measures for the delivery to be completed within the correct period of time, Scania always has the right to cancel the Contract in full or in part.

2.15 If part delivery is agreed upon, Scania may cancel the Contract in its entirety in the event of a delay if the different part deliveries have such a connection with each other that it would damage Scania to complete the Contract in full or in part.

2.16 If delivery (or part delivery) is delayed by another reason than given in Clause 24 (force majeure), and is not caused by any action or failure on the part of Scania, Scania is entitled to penalty. This penalty shall amount to one (1) per cent of the total value of the Contract for each commenced week of delay. However the total penalty must not exceed 12 per cent of this value, per occasion. This penalty is also valid in the event that the purchase has been cancelled on account of delay in delivery, for the period of time up until cancellation; in this case however Scania is also entitled to higher damages.

2.17 In addition to the remedies above Scania has a right to claim additional compensation should the loss incurred be in excess of the liquidated damages and also a right to cover for late delivery by sourcing delivery from another supplier at Supplier's reasonable expense. Such additional compensation includes, but is not limited to, express freight charges.

### 3 ORDERING PROCEDURE AND PURCHASE ORDERS

Scania will place Purchase Orders for Product(s) and Service(s) in writing or otherwise agreed way of purchasing. An agreement to deliver and to purchase shall be considered concluded when the Supplier has confirmed the Purchase Order placed by Scania. The Supplier shall be deemed to have accepted the Purchase Order three (3) working days following receipt thereof, unless the Supplier informs Scania otherwise within such period. The Supplier shall not have the right to reject the Purchase Order if it is in accordance with what is agreed in the Contract unless the Supplier has acceptable reasons for such refusal. If the Supplier rejects the Purchase Order the Supplier must present the reasons for such rejection in the notice of rejection.

3.1 All Purchase Orders issued contrary to the above shall be regarded null and void. Hence, Scania shall not be obligated to pay an invoice in respect of such Purchase Order.

3.2 The Supplier shall confirm the Purchase Order by the same form of communication as the Purchase Order was placed by.

### 4 COMPENSATION AND CURRENCY

4.1 The Supplier is entitled to compensation for ordered Product(s) and/or Service(s) in accordance with the Contract. The Supplier is further entitled to compensation for any additions to the Product(s) and/or Service(s), if these have been ordered in writing by an authorized representative within Scania.

4.2 All compensation and invoiced amounts shall be stated in JPY unless otherwise agreed by the Parties in writing.

4.3 All prices are excluding VAT and any other statutory charges.

4.4 The Supplier shall be liable for the payment of taxes as well as social security and other employer's contributions for the Supplier's personnel. Consequently, Scania shall be entitled to recover by way of deduction from prices and charges due to the Supplier any such expenses mandatorily covered by Scania.

4.5 All disputed invoices will be escalated in accordance with the dispute resolution procedure set out in Clause 36. Scania will be entitled to withhold payment of any charges disputed by Scania until resolution of the dispute.

4.6 Scania may set off any amounts (including service credits) owed by the Supplier, against the compensation payable to the Supplier under the Contract.

4.7 Whenever any part of the charges is in dispute, the Supplier has no right to suspend or terminate the delivery of Product(s) and/or Service(s).

4.8 The Supplier shall hold a valid tax certificate.

## 5 INVOICES AND CORRESPONDENCE

5.1 All invoices shall be issued by the Supplier in accordance with the conditions set forth in the Contract.

5.2 Scania will not accept accumulated invoices (invoices per unit of time) unless agreed to in writing by Scania.

5.3 All invoices issued by the Supplier shall be in accordance with the Scania Invoice Directive, as applicable from time to time and shall include *inter alia* the following details:

- (i) Reference to the Contract number, Scania Article Number and Purchase Order number;
- (ii) Supplier company name and address;
- (iii) Supplier VAT-number and Supplier company registration number;
- (iv) Scania's invoice address (as shown in the Purchase Order);
- (v) Scania requestor and requesting Department
- (vi) Description of Product(s) and/or Service(s);
- (vii) Price and payment terms;
- (viii) Delivery terms and delivery date;
- (ix) Quantity delivered; and
- (x) Any additional information required under the Contract and/or the Purchase Order.

5.4 The Supplier shall send the invoice to the Scania e-mail address in accordance with the Scania invoice directive. If e-mail is not available for Supplier, Supplier is permitted to send it by post to the designated address.

5.5 The Supplier understands that invoices issued contrary to the above will involve costs for Scania for which Scania may request compensation from the Supplier. Scania shall be entitled to return incorrect invoices to the Supplier for rectification.

5.6 In all its correspondence and Deliveries with Scania the Supplier shall state Contract number and the relevant Scania Purchase Order number.

5.7 The Supplier shall send its invoice to Scania, no later than six (6) months after Product(s) and Service(s) have been delivered, covering all remaining demands. If the Supplier has failed to do so, the Supplier loses the right to compensation for Product(s) and Service(s) provided.

5.8 The Supplier shall keep true and accurate books and records of all financial matters in relation to invoicing under the Contract, detailing time used and expenses incurred in connection with providing the Product(s) and/or Service(s).

## 6 PRICE AND PAYMENT

6.1 The Parties have separately agreed on compensation for the Product(s) and Service(s). and it shall be valid for term of the Contract.

6.2 Prices and discounts are firm and fixed and shall not be subject to any adjustments based on any index or exchange rate or otherwise. No price increases are allowed without Scania's prior written consent. Any invoice amount shall be attributable to the prices and discounts applicable at the time of issuing of the purchase order or call-off. Unilateral price and discount adjustments shall not be permitted. Scania reserves the right to withhold payment if the Supplier submits an invoice for an amount other than the agreed price.

6.3 Unless otherwise agreed, payment shall be executed within ninety (90) calendar days from the receipt by Scania of a valid invoice from the Supplier, fulfilling all requirements set forth in Clause 5 above and which is issued in accordance with the terms of the Contract.

6.4 The Supplier shall be entitled to receive interest on overdue payment as prescribed by Japanese Civil Law.

6.5 In the event of late payment by the Supplier of contractual penalties or damages, Scania shall be entitled to receive interest as prescribed by Japanese Civil Law.

6.6 The Supplier shall not be entitled to invoicing charges or other additional charges not specifically agreed upon by the Parties.

## 7 PARENT COMPANY GUARANTEE

If the Product(s) and/or Service(s) provided under the Contract will be provided by an entity other than the ultimate parent company, the Supplier shall on Scania's request provide, a guarantee from its ultimate parent company, in a form and substance satisfactory to Scania, that irrevocably and unconditionally guarantees the complete and proper performance of the Contract and the financial liabilities of the Supplier.

## 8 PACKAGING, TRANSPORTATION, MARKING AND QUALITY ASSURANCE

8.1 The Supplier is to provide the Product(s) with suitable packaging. Product(s) harmful to the safety, health and environment must be packed and marked in accordance with current requirements set by the appropriate authorities. The stated prices are valid, including package, unless otherwise agreed upon. The Product(s) shall be marked in accordance with Scania's instructions and Purchase Order number. Costs arising from the Supplier or his sub-contractors failing to follow the instructions given in the order or regulations concerning dispatch, packaging, marking etc., are to be borne by the Supplier.

8.2 Unless otherwise agreed upon, testing is to be performed in conformity with the standards that are generally valid within the relevant industry. Scania shall have the right to monitor at any time the Supplier's manufacturing to inspect operations, to implement sampling, or to make other necessary examinations. In itself, monitoring such as this does not impose any limitations of the Supplier's contractual responsibility.

8.3 The Supplier shall also reserve for Scania a similar right to monitoring when the Supplier transfers manufacturing or part thereof to sub-contractors. The Supplier is obliged to provide Scania with information required for assessing the quality of the Product(s).

8.4 Unless otherwise agreed upon, the material supplied by Scania is to be delivered free of charge to the Suppliers address for the production location. If not stored separately, the material must be possible to identify as is the property of Scania by marking, identification plate or similar identification. It must be subjected to reasonable inspection and care until a final audit has taken place. It is the duty of the Supplier to account for the material supplied on request, but at the latest in connection with final delivery. In the case of possible levy execution, bankruptcy, or equivalent it is the duty of the Supplier to inform Scania immediately of any such occurrence, and to protect Scania's right to this supplied material by presenting the Contract.

## 9 WARRANTY

9.1 The Supplier warrants that the Product(s) and Service(s) upon delivery and during a two year period complies with the Contract and agreed specifications and are free from defects and non-conformities in design, material, workmanship or otherwise fit for use in intended applications.

9.2 If there are any defects or non-conformities in design, material, workmanship or otherwise not fit for use in intended applications then Scania shall be entitled to (i) demand immediate rectification, or (ii) demand immediate delivery of substitute Product(s) and Service(s). Supplier is to rectify these defects/faults at his own expense by applying the regulations stated below.

9.3 The warranty commitment of the Supplier does not, however, refer to defects or faults in materials or design prescribed by Scania which the Supplier should not have brought attention to. If the Supplier finds it very inconvenient or obviously unsuitable to manufacture Product(s) in accordance with the procurement documents provided, or drawings or technical regulations received later, he shall notify Scania of this immediately.

9.4 If the Supplier's design has been changed or modified on the basis of a proposal from Scania, the Supplier is responsible for this, as for its own design, unless otherwise agreed upon.

9.5 The warranty commitment of the Supplier as set out in Clause 9.1 is limited to faults that arise within two years from the approved delivery. The warranty period is valid irrespective of the operating time of the Product(s).

9.6 The warranty commitment of the Supplier as set out in Clause 9.1 refers only to faults that arise in connection with correct handling of the Product(s) for the intended purpose while reasonable caution is observed. It does not cover faults caused by incorrect maintenance, incorrect storage, or incorrect installation on the part of Scania, changes made without approval by the Supplier, normal wear and tear or deterioration, or incorrect repair carried out through the services of Scania.

9.7 If an application of the regulations described in Clause 9.2 means that parts of the Product(s) are treated, changed, or replaced, the Supplier is responsible for the parts in accordance with the same regulations as apply to the original Product(s). The warranty period specified in Clause 9.5 is extended by the amount of time the Product(s) are not usable as a result of faults described in Clause 9.1.

9.8 After receiving information from Scania concerning faults referred to in Clause 9.2, the Supplier is to remedy the fault immediately and at his own expense. If the fault is of such a character that it is not suitable to remedy it at the set-up location, Scania is to facilitate execution of the work by returning faulty parts to the Supplier for treatment, changing, or replacement, at the Supplier's expense.

9.9 If the Supplier has failed to remedy faults described in Clause 9.2 within a reasonable period of time after Scania has informed about the fault, Scania has the right to cancel the Contract if the fault is of a substantial magnitude. With failure on the part of the Supplier to remedy faults, Scania always has the right to remedy the fault at the risk and expense of the Supplier, or demand a reduction of the purchase sum corresponding to the fault, or withhold a corresponding amount in a settlement of another demand from the Supplier to Scania that is due for payment.

9.10 Relevant parts of Clauses 9.1-9.9 concerning faults in the Product(s) is to apply when the Product(s) are not of the full amount, but, according to what Scania has to assume, have been delivered by the Supplier as being of the full amount.

## 10 PRODUCT LIABILITY

10.1 The Supplier agrees to indemnify and hold Scania harmless from any and all cost, loss or damage (including reasonable attorney's fees), claimed by, or owed to, third parties, or incurred or suffered by Scania, to the extent the same arise out of third party claims relating to any actual or threatened injury or damage to any person or property caused, or alleged to be caused, by a Product or Service. Without prejudice to Scania's foregoing rights, either Party shall forthwith inform the other Party if a claim due to injury or damage to person or property is lodged by a third party against either of the Parties. The Supplier's obligation to indemnify remains for the entire period during which product liability claims can legally be raised against Scania.

10.2 Scania shall have the right to control the defence of any third party claim, suit or proceeding directed against Scania, and upon Scania's request, the Supplier shall actively provide to Scania all assistance necessary in such defence. If Scania deems it necessary or appropriate, the Supplier undertakes to, upon Scania's request, intervene as a party to any claim, suit or proceeding brought against Scania.

10.3 Scania will fully inform and consult with the Supplier within reasonable time in the event it intends to assert claims based on the provisions contained in this Clause 10.

10.4 Japanese Commercial Law Article 526 shall

not apply to purchase under this Regulations.

## 11 INDEPENDENT CONTRACTORS

The Supplier is an independent contractor under this Contract and nothing herein will be construed to create a partnership or a joint venture between the Parties. The Supplier will have no authority to enter into agreements of any kind on behalf of Scania or to bind or obligate Scania in any manner in relation to any third party.

## 12 SUBCONTRACTOR

The Supplier may not perform certain or all of its duties and obligations of the Service(s) through subcontractors or exchange subcontractors for the performance of Service(s) without Scania's prior written consent. If a subcontractor is engaged, after Scania's consent, the Supplier shall however, remain solely responsible for any and all such duties and obligations. Any breach of any provision in the Contract by the subcontractor, shall be deemed as a breach of such provision by the Supplier.

## 13 INSURANCE

13.1 The Supplier will have in place and maintain appropriate insurance to reflect its liabilities under the Contract.

13.2 The Supplier shall at least maintain throughout the contract term hereof valid errors & omissions (E&O) liability insurance including public liability. The Supplier shall at its own expense take out and maintain a product liability insurance adapted to use of the Product(s) and Service(s). All such insurance coverage purchased shall be placed with insurers of good financial strength with adequate sums insured and cover on worldwide geographical limits. The Supplier shall annually upon renewal of any relevant policy furnish Scania with a certificate of insurance as issued by its insurer/s or broker/s, showing key details such as insurer(s), policy number, sum(s) insured, basic coverage description, geographical limits, deductible(s), and main exclusions.

## 14 AUDIT RIGHTS

The Supplier shall free of charge provide Scania, Scania's auditors and regulators, such assistance and access (including access to people, premises and records) reasonably required in order to conduct audits and inspections of the Supplier and its subcontractors, in respect of the performance of the Service(s) and delivery of the Product(s), the charges, security, business continuity, financial matters and any other matters required by regulators, during the term of the Contract and for an agreed period post termination or expiry of the Contract.

## 15 TRADE MARKS AND REFERENCES

15.1 Neither Party may in any way use any of the other Party's trademarks, logotypes, or equivalent distinguishing markings in any relation to third parties without the prior written approval of the other Party.

15.2 Neither Party may use its relationship with the other Party or the existence of this Contract for any marketing or financial purposes or as reference in any company presentations, press releases, on the internet or in any other way communicate it to the public without the prior written approval of the other Party.

## 16 CONFIDENTIALITY

16.1 Each Party will:

(a) treat as strictly confidential (i) all information obtained or received by it as a result of negotiating, entering into or performing its obligations under this Contract; and (ii) all other business, financial, operational, technical and marketing information (or any other information of a secret or proprietary nature) relating to the other Party, and obtained (in each case) pursuant to or under the Contract, (hereinafter jointly referred to as "Confidential Information") (iii) The confidentiality also covers the Contract and the Product(s) and Service(s) hereunder; and

(b) not, except with the prior written consent of the other Party, publish or otherwise disclose to any person any Confidential Information.

16.2 Clause 16.1 will not apply if and to the extent that the Party disclosing Confidential Information can demonstrate that:

(a) such disclosure is required by law or by any securities exchange or regulatory or governmental body having jurisdiction over it and whether or not the requirement has the force of law; or

(b) the Confidential Information concerned was lawfully in its possession (as evidenced by written records) prior to it being obtained or received; or

(c) the Confidential Information concerned has come into the public domain other than through its fault.

16.3 Each Party is responsible to ensure that confidentiality is maintained through confidentiality undertakings with its employees and any subcontractors or by other appropriate measures.

16.4 Notwithstanding what is stated in this Clause 16, Scania may disclose Confidential Information to (i) Volkswagen AG and any legal entity which is directly or indirectly controlled by Volkswagen AG (the "Volkswagen Group") (which shall include Global Truck & Bus Procurement, LLC and HINO & TRATON Global Procurement GmbH (the "Procurement JV's")), (ii) Navistar Inc. and its affiliates ("Navistar") and (iii) Hino Motors, Ltd. and its affiliates ("Hino"). Confidential Information may, however, only be disclosed to Navistar or Hino (i) for purposes of facilitating negotiations by Scania, its affiliated companies (including members of the Volkswagen Group) and the respective Procurement JV of a potential supply relationship with the Supplier; or in the course of a potential supply relationship with Navistar or Hino, or (ii) if such Confidential Information consists of drawings, models, specifications, instruction, manuals, user guides and other technical documentation or information and disclosure is made as reasonably necessary and after the Supplier has been nominated by Scania and Navistar or by Scania and Hino for a development project or for supplies.

16.5 The conditions set forth in this Clause 16 shall continue to apply for a period of five (5) years after the termination of the Contract.

## 17 SCANIA POLICIES AND OTHER STANDARDS

The Supplier shall comply with all and any Scania Policies and Procedures as well as applicable standards, as relevant for the Product(s) and Service(s) delivered and as referred to in any part of the Contract or its appendices or as communicated from time to time to the Supplier by Scania. The Supplier shall review material or documentation provided by Scania. The Supplier undertakes to comply with Scania's key element procedures within purchasing as stated on the Scania Group Supplier portal as updated from time to time.

## 18 CODE OF CONDUCT AND BUSINESS ETHICS

The Supplier accepts and undertakes to comply with at least all requirements in the Scania Supplier Code of Conduct, including conforming to, and applying, the United Nations Global Compact. If stricter requirements are applicable pursuant to laws or regulations in the jurisdictions where the Supplier is operating, the Supplier also undertakes to comply with such stricter requirements. The Supplier agrees to implement a corresponding undertaking with its suppliers.

## 19 CO-OPERATION AND CONTRACT MANAGEMENT

19.1 Scania and the Supplier shall establish a clear governance structure for the Contract to ensure co-ordination and a clear overview of the delivery of the Product(s) and Service(s).

19.2 The Parties have appointed contact persons who will communicate directly with each other. The contact persons will be familiar with the Contract and will be responsible for the ongoing management of the Contract, including any invoicing activities related thereto.

## 20 STATISTICS

The Supplier shall on request send global sales statistics containing all Purchase Orders as an electronic file with all countries in the same document for requested period. The sales statistics shall, as a minimum, show volume sold and delivered in each Scania customer number (legal entity) per Product(s)/Service(s) group. The sales and actual delivery volume shall be shown, both as a number of units sold, and in monetary terms.

## 21 INTELLECTUAL PROPERTY RIGHTS

21.1 Any IPR existing prior to the execution of the Contract or developed independently shall belong to the Party from which such IPR originates.

21.2 Any IPR developed in relation to the Product(s) and Service(s) which Scania pays Supplier for under the Contract shall belong to Scania.

21.3 Scania shall have full and unlimited rights to the Product(s) and Service(s) provided under the Contract. The Supplier hereby grants to Scania an unlimited license to use in its business any of Suppliers or any third party's IPRs to which Supplier has a license, necessary for Scania's unrestricted use of the Product(s) and Service(s). This shall also include, but not be limited to, a right to copy and reproduce such Documentation necessary for assembly, use, maintenance, inspection, operation and reparation of the Product(s) and Service(s).

## 22 CLARIFICATION OF RIGHTS

The Supplier represents and warrants that:

(i) the Product(s) and Service(s) provided under the Contract, do not require any further licence or royalty payment besides what is stated in the Contract; (ii) all rights, licenses, permits, authorizations and approvals required to deliver Product(s) and/or Service(s) to Scania are obtained and will remain in full force throughout the term of this Contract; and (iii) should the warranty in this Clause not be fulfilled, the Supplier will consult with Scania prior to using any relevant third party product or service, and not proceed to utilize them without Scania's prior written approval.

## 23 INFRINGEMENT

23.1 The Supplier guarantees that Scania's and its customers use or sales of the Product(s) and Service(s) do not and will not infringe any IPRs or other legal rights which third parties may have. The Supplier is not responsible for infringements to the extent it is due to design documents or technical specifications provided by Scania. In case of infringement for which the Supplier is responsible the Supplier shall indemnify Scania and its customers. According to the choice of Scania the Supplier is to compensate Scania for costs incurred with defence, or at Suppliers own expense defend Scania and its customers against infringement claims and give compensation for damages etc. that may be imposed or compensate Scania for the corresponding costs. One contracting party shall notify the other party without any reasonable delay if an infringement claim is raised or can be expected to be raised, and shall help the other with such information as can be regarded as being of significance to meeting requirements. The Supplier shall defend, indemnify and hold Scania harmless from and against any and all damage suffered and costs and expenses (including reasonable attorney's fees) incurred as a result of any claim, suit or proceeding brought against Scania based on a claim that the use of any Product(s) and/or Service(s) furnished by Supplier under the Contract constitutes an infringement of any third party right; provided that the Supplier has been notified promptly in writing of such claim, and given authority, information, and assistance (at the Supplier's expense) to handle the claim or the defence of any suit, proceeding or settlement.

23.2 In the event that the Product(s) and/or Service(s) or any part thereof is held to constitute an infringement and/or its further use is enjoined, the Supplier shall at its own expense and at its option, either

(i) procure for Scania the right to continue the use of the Product(s) and/or Service(s); or (ii) replace the same with a non-infringing product or service of equivalent function and performance; or (iii) modify the Product(s) and/or Service(s) so that they become non-infringing without detracting from function or performance.

23.3 Should none of these measures prove successful in spite of the Supplier using all efforts, then the Supplier shall refund the aggregate amount of fees and other remuneration paid hereunder in respect of the relevant Product(s) and/or Service(s).

## **24 FORCE MAJEURE**

24.1 Neither Party shall be liable to the other Party for any failure to perform any obligation under this Contract which is due to an event beyond the control of such Party including, but not limited to, war, riot, civil unrest, terrorism, currency exchange restrictions, strikes, lock-out and other labour difficulties. The aforementioned circumstances are grounds for exemption only if their effects on the compliance of the Contract could not be anticipated when the Contract was signed. The Party affected by such event shall inform the other party of the same and shall use all reasonable efforts to comply with the terms of the Contract.

24.2 If as a result of circumstances referred to in the Clause above the fulfilment of an obligation is delayed by more than ninety (90) days, the Party not prevented from fulfilling its obligations by such circumstances is entitled to terminate this Contract with immediate effect without incurring any liability therefore.

## **25 NON-EXCLUSIVITY**

The rights and remedies available to Scania under the Contract are not exclusive, and may be exercised together with other rights and remedies available to Scania under the Contract or law.

## **26 OFF-SET BUSINESS**

Scania reserves the right, on subject to approval has been granted by the authorities concerned, to count on the full value of the Product(s) delivered for own use with respect to current or future indirect compensation commitments in the country of origin of the Product(s) in question. Furthermore, Scania shall own the right to replace or transfer this value to a third party of the choice of Scania as a reduction from the compensation commitment of such a third party.

## **27 EXPORT**

27.1 Either Party shall comply with all applicable export control legislation and/or sanctions/embargoes regulations and shall, without undue delay, inform the other Party of any changes to such applicable export control legislation and/or sanctions/embargo regulations which may have any impact on the export, re-export or use of the Products and/or Services or an end product in which the Products and/or Services are included.

27.2 Either Party shall have in no way any connection or any type of interaction with Parties listed in any type of public available Denied Party List issued by an applicable authority. Each Party shall have in place procedures and processes as adequate for detecting whether such connection or interaction exists and shall immediately inform the other Party in writing if it becomes aware of or if it suspects any such connection or interaction.

27.3 The Supplier shall inform Scania of direct or indirect changes in the control of the Supplier, which could have an impact on the applicable export control legislation and/or sanction/embargoes regulations. For the purpose of this Section 27.3, "control" shall mean ownership of at least 50% of the voting rights or interest in the issued share capital. Further, the Supplier shall inform Scania of circumstances (e.g. citizenship or an individual becoming a US green card holder), with respect to an individual, directly or indirectly, controlling the Supplier, a member of the board of directors of the Supplier or an individual which otherwise has a controlling influence of the Supplier, which could have an impact on the applicable export control legislation and/or sanctions/embargoes regulations.

27.4 The Supplier shall ensure that all and any relevant export approvals from applicable authorities are in place well in advance of delivery of Products and/or Services which include classified items (hardware, software, technology or services).

27.5 The Supplier shall inform Scania of the applicable Export Control Code ("ECC") and any restriction according to the export approval for Products and/or Services, at the earlier of (i) the date set forth in Scania's request for quotation; or (ii) at the time of delivery of the Products and/or Services. The Supplier shall also provide, unless restricted under applicable law to do so, a copy of the export approval, no later than at the time of delivery of the Products and/or Services. The Supplier shall promptly inform Scania of any changes of the ECC and/or export approval during the life cycle of the Products or during the time of providing the Services.

27.6 The Supplier shall inform Scania whether Products and/or Services include any US content. If US content is included, the Supplier shall provide the ECC for the US content. If the Supplier has used De-Minimis calculation, the Supplier shall inform Scania of the percentage of the US content.

27.7 Scania agrees to inform the Supplier of valid ECC and restrictions according to export approval for classified items (hardware, software, technology or services) which are provided by Scania to the Supplier.

27.8 Each Party agrees to, upon request from the other Party, reasonably assist the other Party in obtaining a relevant export approval.

27.9 Scania may terminate this Contract (and/or any individual Purchase Orders hereunder) with immediate effect if the Supplier is in breach of, or if Scania reasonably suspects that the Supplier is in breach of, Section 27.1 or 27.2.

The Supplier shall indemnify and hold harmless Scania from and against any losses, costs, claims, causes of action, damages, liabilities and expenses, including attorneys' fees, any expense of litigation or settlement, and court costs, arising from any non-compliance with Clause 27. The Supplier shall be responsible for any act or omission of itself, its officers, employees, affiliates, in the performance of any of its obligations under this Clause.

## **28 ASSIGNMENT**

28.1 Neither Party may assign this Contract or any Purchase Order or any of its rights and obligations under this Contract or under a Purchase Order without the prior written consent of the other Party.

28.2 Scania may however, without such approval, assign its rights and obligations under the Contract to a Scania Affiliated Company.

## **29 EARLY TERMINATION**

29.1 Either Party may terminate the Contract upon written notice with immediate effect in the event that the other Party:

- (i) materially breaches its obligations under the Contract, and which are incapable of remedy, or if the breach is capable of remedy, if the party does not remedy the breach within thirty (30) days of notice from the other party;
- (ii) becomes bankrupt, ceases payments, applies for company reconstruction, goes into liquidation or otherwise may be considered to be insolvent; or
- (iii) the other Party suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business.

29.2 The Contract may be prematurely terminated by Scania, in whole or in part with immediate effect (i) in the event that an important change in the ownership of the Supplier, directly or indirectly, occurs or (ii) if any warranty given in the Contract is found to be untrue or misleading.

## **30 CONSEQUENCES OF TERMINATION**

30.1 Any termination of the Contract (howsoever occasioned) shall not affect any accrued rights or liabilities of either Party nor shall it affect the coming into force or the continuance in force of any provision of the Contract which is expressly or by implication intended to come into force or continue in force on or after that termination.

30.2 Upon termination of the Contract, the Supplier shall immediately return any material, equipment, data, objects and information that are the property of Scania (or any third party provider engaged by Scania) to Scania (or to the party identified by Scania), and those items which are in electronic form shall be delivered in electronic form in accordance with Scania's instructions.

30.3 The Supplier shall also assist Scania and/or the replacement supplier to the extent reasonably required to facilitate the smooth migration of the Service(s) to Scania or the replacement supplier. If Scania terminates the Contract in accordance with Clause 29, such co-operation and assistance shall be provided at no cost to Scania. In all other cases, the Supplier may charge a reasonable sum to cover the cost of providing such co-operation and assistance.

30.4 Upon written request by Scania, the Supplier shall permanently and irrevocably destroy all data and other information concerning the Contract, Product(s) and/or Service(s).

30.5 Scania shall not in any circumstances be liable to the Supplier for redundancy payments and staff termination costs arising from termination or expiry of the Contract.

30.6 Any obligations and duties that by their nature extend beyond the expiration or termination of this Contract shall survive the expiration or termination of this Contract.

## **31 PERSONAL DATA PROTECTION**

Any processing of personal data on behalf of Scania shall be performed in accordance with the Data Processing Agreement.

## **32 CHANGES AND AMENDMENTS**

32.1 Changes and amendments to the Contract are valid only if made in writing and signed by both Parties hereto.

32.2 If any provision of the Contract or the application of it shall be declared or deemed void, invalid or unenforceable in whole or in part for any reason, the Parties shall amend the Contract in order to give effect to, so far as is possible, the spirit of the Contract. If the Parties fail to amend the Contract, the provision, which is void, invalid or unenforceable, shall be deemed deleted and the remaining provisions of the Contract shall continue in full force and effect unless the result would materially deviate from the Parties' intentions, in which case the Contract will instead be terminated.

## **33 ENTIRE CONTRACT**

The Parties confirm that this Contract represents the entire understanding and constitutes the whole agreement between the Parties relating to the subject matter hereof and supersedes all prior agreements, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, agent, employee or representative of either of the Parties.

## **34 NOTICES**

34.1 All notices, requests or communications between the Parties shall be in writing and sent by courier, by airmail, or by e-mail to the addresses specified in this Contract or as subsequently amended.

34.2 Notices shall be deemed to have been received by the recipient where: (i) if delivered by courier, upon delivery to the recipient; or (ii) if sent by airmail, three (3) days after posting; or (iii) if sent by e-mail, upon dispatch provided receipt is duly confirmed by the other party.

34.3 Changes of address must be notified by a Party in the manner prescribed in this Clause.

## **35 COMPLIANCE WITH LAWS**

35.1 The Supplier shall comply with all relevant laws and regulatory requirements.

35.2 Changes to the Product(s) and/or Service(s) which are necessitated by changes in law will be implemented by the Supplier, at its own costs, as soon as practical, and in any event no later than the effective date of such law or regulation.

**36 GOVERNING LAW AND DISPUTE RESOLUTION**

36.1 This Contract shall be governed by and construed in accordance with the laws of Japan without regard to its principles of conflict of laws.

36.2 Any dispute, controversy or claim arising out of or in connection with this Contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of Japan Association of Arbitrators. The arbitral tribunal shall be composed of one (1) arbitrator.

36.3 The seat of arbitration shall be Tokyo, Japan.

36.4 The language to be used in the arbitral proceedings shall be Japanese.

36.5 The Parties undertake and agree that all arbitral proceedings conducted with reference to this arbitration Clause will be kept strictly confidential. This confidentiality undertaking shall cover all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed to a third party without the prior consent by the other Party.

**37 CISG EXCLUSION**

The Parties agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply.