



## **Non-Re-Exportation to Russia**

### **1. Background**

- 1.1 The European Union/EU have issued numerous sanctions regulations targeting Russia and Belarus, such as Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, as amended *inter alia* through Council Regulation (EU) 2023/2878 of 18 December 2023 (hereinafter referred to as the "**Amending Regulation**").
- 1.2 All Scania-branded and other products supplied by the Distributor/Dealer/Workshop/Scania under the "Köpeavtalet" (hereinafter referred to as "**Scania Products**") are ultimately sourced from Scania CV AB as incorporated in Sweden within the EU.
- 1.3 The Amending Regulation contains mandatory requirements for EU entities selling, supplying, transferring or exporting goods to certain countries (including the geographical scope of the "Köpeavtalet") to introduce contractual safeguards against re-exportation to Russia as well as re-exportation for use of supplied products in Russia. Scania CV AB therefore does not accept any such re-exportation.
- 1.4 In light of the above, the customer acknowledges, accepts and agrees to all of the below provisions with regard to re-exportation safeguards and restrictions, rights of inquiry and audit, remedies and sanctions, and related matters around all and any Scania Products (hereinafter jointly referred to as the "**No-Russia Clauses**").

### **2. Re-Exportation Safeguards and Restrictions**

- 2.1 The customer represents, warrants and undertakes that regardless of country of manufacture, export or other origin of Scania Products;
  - a) the customer will not (whether directly or indirectly) re-export any Scania Product;
    - i) to Russia, defined as the Scania Product being delivered in Russia, or sold to a legal entity or an individual registered and/or located/residing in Russia, or sold to a legal entity which is more than 50 % controlled by another legal entity or an individual registered and/or located/residing in Russia; or
    - ii) for use in Russia, defined as the Scania Product being registered in Russia or used predominantly for domestic traffic in Russia;
  - b) the customer will include non-re-exportation restrictions corresponding to the No-Russia Clauses in all and any of its own agreements for transferring (if so permitted by the "Köpeavtalet") a Scania Product to a subsequent buyer;
  - c) the customer shall, if so required and requested at any time by Scania CV AB or the Distributor/ Dealer/Workshop/Scania in connection with the "Köpeavtalet" or specific orders for Scania Products thereunder, submit relevant end-user statements according to Scania CV AB-approved formats as confirming that no restricted re-exportation will occur;
  - d) the customer shall immediately notify the Distributor/Dealer/Workshop/Scania of any breaches and incidents occurring on the customer's side, and also of any conduct generally by any third party which could frustrate the purposes of the No-Russia Clauses.



### 3. Inquiries and Audits

- 3.1 The customer undertakes to fully comply without undue delay with any information requests made in writing by the Distributor/Dealer/Workshop/Scania to inquire into measures taken by the customer to fulfil all and any of its undertakings as set out in the No-Russia Clauses.
- 3.2 The Distributor/Dealer/Workshop/Scania shall be entitled upon its own request and at its own cost to conduct audits on-site or off-site at any time and in any frequency of all and any facilities, systems and documentation of the customer, as reasonably required or relevant for the Distributor/Dealer/Workshop to verify the customer's fulfilment of all and any of its undertakings under the No-Russia Clauses.
- 3.3 On the customer's reasonable demand, inquiries and audits as above shall be handled through an independent auditor without a right of access for the Distributor/Dealer/Workshop/Scania, if and only to the extent that information is manifestly, or is reasonably likely to be, proprietary to or trade secrets of the customer.
- 3.4 The customer undertakes to honor rights of audit and inquiry corresponding to the above also in favor of Scania CV AB, and acknowledges that a refusal to allow for Scania CV AB to fully exercise such rights shall be considered a breach of its undertakings to the Distributor/Dealer/Workshop/Scania under this Clause 3.

### 4. Remedies and Sanctions

- 4.1 The customer acknowledges and accepts that all its undertakings of the No-Russia Clauses are essential elements of the contractual and business relationship between the Parties, and that consequently any breach of any one of such undertakings shall be considered material and subject to the below regime of remedies and sanctions.
- 4.2 In case of breach by the customer of any of its undertakings of the No-Russia Clauses, save as set out separately below, and such breach has not been remedied by the customer (where remediable) within fifteen (15) days of sending by the Distributor/Dealer/Workshop/Scania of a written request to that effect, the Distributor/Dealer/Workshop/Scania may with immediate effect and by written notice to the customer take and/or deploy all, either or any combination of the following remedial actions and sanctions.
- a) Termination of the "Köpeavtalet".
  - b) Cancelling of any confirmed and outstanding orders, regardless of whether or not the Scania Products covered by such orders are subject to re-exportation risks in conflict with the purposes the No-Russia Clauses.
  - c) Waiving of any outstanding or ensuing obligations (such as, but not limited to for warranty coverage) under fulfilled order(s) for any Scania Product that has been re-exported in conflict with the No-Russia Clauses or which remains unaccounted for as according to the above (all such vehicles hereinafter collectively referred to as "**Sanctionable Products**").
  - d) Limiting of aftermarket and campaign support for all Sanctionable Products.
  - e) Claiming for each breach the payment of a penalty, not to be counted against any damages claimed as below, in an amount determined by the Distributor/Dealer/Workshop/Scania up to the higher of i) the aggregated purchase price paid or payable by the customer to the Distributor/Dealer/Workshop/Scania for all Sanctionable Products, ii) twenty (20) % of the aggregated value of all orders for all and any Scania Products as confirmed by the Distributor/Dealer/Workshop/Scania to the customer during the last twelve (12) months, and iii) one-hundred-thousand (100,000) EUR.



- f) Claiming of compensation and indemnities from the customer, over and above any penalties claimed as above, so as to hold the Distributor/Dealer/Workshop/Scania harmless of all and any costs and damages incurred as a result of the customer's breach, non-accountability of any Sanctionable Products, or other measure(s) taken or not taken and as warranting the Distributor/Dealer/Workshop/Scania to terminate.

4.3 If for any specific order (whether confirmed or not, and regardless of what lead-time remains to the applicable or intended delivery date) the Distributor/Dealer/Workshop/Scania has requested that an end-user statement be obtained and presented to the Distributor/Dealer/Workshop/Scania as set out in Clause 2.1(b) above, and the Distributor/Dealer/Workshop/Scania has not received such a statement within such reasonable respite as has been set out in the written request, the Distributor/Dealer/Workshop/Scania shall not be liable to fulfil its delivery obligations with regard to the Scania Products covered by such order until the end-user statement has successfully been submitted to the Distributor/Dealer/Workshop/Scania. In case this still has not happened within fifteen (15) days from the date of sending of the request, the Distributor/Dealer/Workshop/Scania shall also be entitled to immediately take all, either or any combination of the following actions.

- a) Refusal to confirm new orders, regardless of whether or not they were subject to the relevant end-user statement request by the Distributor/Dealer/Workshop/Scania.
- b) Cancellation by written notice to the customer of the order(s) for which the relevant end-user statements were requested.
- c) Cancellation, whether in connection with a main order cancellation as under (b) above or at any time thereafter, any other order for Scania Products which is still outstanding with the customer.
- d) Claiming of compensation and indemnities from the customer to hold the Distributor/Dealer/Workshop/Scania harmless of all and any costs and damages incurred as a result of any order cancellation(s) as above.

4.4 In case Scania Products that were delivered to the customer have then been re-exported in conflict with the purposes of the No-Russia Clauses by any third party, notwithstanding that all of the customer's undertakings as set out therein have been fulfilled, the Distributor/Dealer/Workshop/Scania may with immediate effect and by written notice to the customer take and/or deploy all, either or any combination of the following remedial actions and sanctions.

- a) Termination of the "Köpeavtalet".
- b) Cancelling of any confirmed and outstanding orders, regardless of whether or not the Scania Products covered by such orders are subject to re-exportation risks in conflict with the purposes of the No-Russia Clauses.
- c) Waiving of any outstanding or ensuing obligations (such as, but not limited to for warranty coverage) under fulfilled order(s) for all Sanctionable Products.
- d) Limiting of aftermarket and campaign support for all Sanctionable Products.

4.5 In case there is persistent uncertainty as to the location of any Scania Products delivered to or through the the Distributor/Dealer/Workshop/Scania (such as due to non-activation in Scania systems of a warranty start date, or non-connectivity for positioning), and the customer has not reliably accounted for such Scania Products within fifteen (15) days of sending by the Distributor/Dealer/Workshop/Scania of a written request for explanations, Clause 4.4 shall apply correspondingly with a right for the Distributor/Dealer/Workshop/Scania to consider such Scania Products that remain unaccounted for as Sanctionable Products.



4.6 The customer acknowledges that due to Scania CV AB having to comply with continued changes to EU sanctions regulations, such as the Amending Regulation, the No-Russia Clauses may have to be re-negotiated from time to time, and that therefore, in any scenario in which any additional amendment(s) as may be required for such Scania CV AB compliance cannot be agreed with the customer, the Distributor/Dealer/Workshop/Scania may with immediate effect and by written notice to the customer terminate the "Köpeavtalet" and cancel any confirmed and outstanding orders.

## 5. Notices

5.1 Notwithstanding anything set out to the contrary in the "Köpeavtalet", any notice to be sent by the Distributor/Dealer/Workshop/Scania in writing according to the No-Russia Clauses shall be considered duly served if sent by regular mail or e-mail to the customer's managing director or CFO using the latest of any contact details as the customer has communicated to the Distributor/Dealer/Workshop/Scania, or in any event by regular mail to the customer's formally registered address at the time of sending of the notice.

## 6. Miscellaneous

6.1 Changes to the No-Russia Clauses may be communicated by the Distributor/Dealer/Workshop/Scania in writing to the customer, and shall become binding on the customer if no objections to the communicated changes have been received by the Distributor/Dealer/Workshop/Scania in writing within fifteen (15) days of sending of the communication.

6.2 In case of contradictory content between the No-Russia Clauses and "Köpeavtalet", those of the No-Russia Clauses shall prevail.