

Scania (Great Britain) Limited

NO-RUSSIA CLAUSES



Scania (Great Britain) Limited, registered in England and Wales with Company No: 00831017 (“**Scania**”)

1. BACKGROUND AND INTERPRETATION

- 1.1 These terms & conditions are supplemental to other Scania terms and conditions where incorporated by reference, including the Scania Online Sales: Terms and Conditions which can be found here: <https://buy.scania.co.uk/en/online-sales-terms-sgb> and the Scania Online Auction: Terms and Conditions which can be found here: <https://buy.scania.co.uk/en/auction-terms>.
- 1.2 The European Union (“**EU**”) has 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 (“**Amending Regulation**”).
- 1.3 Scania-branded and other products supplied by Scania (“**Scania Products**”) to any individual or entity (“**Customer**”) under the relevant order confirmation, sales agreement and/or associated terms and conditions (“**Terms of Sale**”) are typically sourced from Scania CV AB, a company incorporated in Sweden.
- 1.4 The Amending Regulation contain mandatory requirements for EU entities selling, supplying, transferring, or exporting goods to certain countries, to introduce contractual safeguards against re-exportation to Russia as well as re-exportation for use of supplied products in Russia. Scania CV AB and Scania therefore do not accept any such re-exportation.
- 1.5 In addition to the Amending Regulation, the UK has its own sanctions and export controls both generally and targeted at Russia under The Russia (Sanctions) (EU Exit) Regulations 2019 and the Export Control Order 2008, as amended from time to time, which can apply directly to any orders for Scania Products within and from the UK.
- 1.6 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 enquiry and audit, remedies and sanctions, and related matters around all and any Scania Products (“**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 Terms of Sale) a Scania Product to a subsequent buyer;
- (c) the Customer shall, if so required and requested at any time by Scania in connection with the Terms of Sale 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; and
- (d) the Customer shall immediately notify 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. ENQUIRIES AND AUDITS

- 3.1 The Customer undertakes to fully comply, without undue delay, with any information requests made in writing by Scania to enquire into measures taken by the Customer to fulfil all and any of its undertakings as set out in the No-Russia Clauses.
- 3.2 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 Scania 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, enquiries and audits as above shall be handled through an independent auditor without a right of access for

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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 honour rights of audit and enquiry corresponding to the above also in favour of Scania CV AB, and acknowledges that a refusal to allow Scania CV AB to fully exercise such rights shall be considered a breach of its undertakings to 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 Where a breach by the Customer of any of its undertakings of the No-Russia Clauses is identified and such breach has not been remedied by the Customer (where remediable) within fifteen (15) days of sending by Scania of a written request to that effect, 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 Terms of Sale;
- (b) Cancelling 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 any outstanding or ensuing obligations (such as, but not limited to 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 clause 4.5 (all such products 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 Scania up to the higher of i) the aggregated purchase price paid or payable by the Customer to Scania for all Sanctionable Products, ii) twenty (20)% of the aggregated value of all orders for all and any Scania Products as confirmed by Scania to the

Customer during the last twelve (12) months, and iii) one-hundred-thousand (100,000) GBP; and

- (f) Claiming of compensation and indemnities from the Customer, over and above any penalties claimed as above, so as to hold 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 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) Scania has requested that an end-user statement be obtained and presented to Scania as set out in Clause 2.1(c) above, and Scania has not received such a statement within such reasonable period as has been set out in the written request, 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 Scania. Where this still has not happened within fifteen (15) days from the date of sending of the request, 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 Scania;
- (b) Cancellation by written notice to the Customer of the order(s) for which the relevant end-user statements were requested;
- (c) Cancellation of any other order for Scania Products which is still outstanding with the Customer; and/or
- (d) Claiming of compensation and indemnities from the Customer to hold Scania harmless of all and any costs and damages incurred as a result of any order cancellation(s) as above.

- 4.4 Where 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, 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 all current Terms of Sale;
- (b) Cancelling any confirmed and outstanding orders, regardless of whether or not the

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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 warranty coverage) under fulfilled order(s) for all Sanctionable Products; and/or
- (d) Limiting of aftermarket and campaign support for all Sanctionable Products.

4.5 Where there is persistent uncertainty as to the location of any Scania Products delivered to or through the Customer (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 Scania of a written request for explanations, Clause 4.4 shall apply correspondingly with a right for Scania to consider such Scania Products that remain unaccounted for as Sanctionable Products.

4.6 The Customer acknowledges that due to Scania CV AB and Scania having to comply with continued changes to sanctions regulations, such as the Amending Regulation, these No-Russia Clauses may have to be varied from time to time. Where such amendment(s) (as may be required for such compliance) cannot be agreed with the Customer in respect of confirmed orders, Scania may with immediate effect and by written notice to the Customer terminate the relevant Terms of Sale and cancel any confirmed and outstanding orders.

5. NOTICES

5.1 Notwithstanding anything set out to the contrary in the Terms of Sale, any notice to be sent by 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 communicated by the Customer to Scania, or in any event by regular mail to the Customer's formally registered address at the time of sending of the notice.

5.2 Any notice to be sent by the Customer to Scania in writing according to these No-Russia Clauses shall be sent by regular mail or e-mail to Scania's Head of Legal, with a copy to Scania's Finance Director.

6. MISCELLANEOUS

6.1 Changes to the No-Russia Clauses may be communicated by Scania by updating the No-Russia Clauses on its website.

6.2 In the event of any conflict between the No-Russia Clauses and the Terms of Sale, the No-Russia Clauses shall prevail.

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