

Document name: General Purchasing Terms & Conditions for VBG GROUP TRUCK EQUIPMENT AB (Valid from 2021-09-01)		Reg. No.-Issue: 01-182700c	Page: 1 / 3
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0. General

- 0.1 In these purchasing terms VBG refers to VBG GROUP TRUCK EQUIPMENT AB.
- 0.2 If an invoice, in accordance with what has been stated by VBG, is to be issued to another company in the VBG GROUP, then VBG has made this order on behalf of the company.
- 0.3 The agreement in these purchasing terms refers to the agreement of which these terms constitute part.
- 0.4 Amendments and/or supplements shall be agreed in writing.

1. Provisions

- 1.1 Provisions specified in orders, delivery agreements or attendant documents, are applicable for deliveries. Amendments or supplements to the applicable provisions shall be made in writing in order to be valid. The parties may draw up agreements in writing to the effect that certain agreements can be made through the electronic transfer of information.

2. Supervision of manufacturing

VBG or VBG's customers are entitled after notification to inspect the supplier's manufacturing of products intended for VBG, to implement testing, and to carry out other requisite inspection at the supplier.

3. Production Part Approval Process, PPAP

- 3.1 The purpose of Production Part Approval Process is to confirm that all customer engineering design record and specification requirements are properly understood by the Supplier, and that ALL production streams have the potential to produce product consistently meeting these requirements.
- 3.2 Upon satisfactory completion of all required measurements and tests, the Supplier shall record the required information on the Part Submission Warrant (PSW). A separate PSW shall be completed for each VBG part number unless otherwise specified by VBG. A responsible Supplier official within VBG shall approve the PSW.
- 3.3 If VBG is forced as a result of defective Part Submission Warrant (PSW) to carry out renewed verification of samples, the supplier shall bear the cost.
- 3.4 After the Part Submission Warrant (PSW) have been approved by VBG, no modifications to the function, exterior, characteristics, material, specific model-related equipment, manufacturing methods or place of manufacture, may be made without the written approval of VBG.
- 3.5 VBG's approval of Part Submission Warrant (PSW) does not affect the supplier's liability and undertakings, or their liability to deliver in accordance with the relevant provisions.

4. Delivery quality

- 4.1 The supplier is obliged to immediately report to VBG confirmed or suspected defects in products dispatched to VBG.
- 4.2 Deliveries containing products that fail to conform to specifications shall without delay, and according to VBG's preference, be adjusted or replaced by the delivery of products free from defects.
- 4.3 If VBG is forced to conduct general inspection of delivered products after the discovery of products not conforming to specifications the supplier shall compensate VBG for the costs of such inspection.
- 4.4 In urgent cases VBG is entitled after notifying the supplier to rectify products not conforming to specifications without waiting for the supplier's approval and at the supplier's expense.
- 4.5 The supplier shall compensate VBG for the transport costs for the delivery of products not conforming to specifications, and if the products are to be returned to the supplier also for their return freight.
- 4.6 The supplier is also responsible for the payment of extra transport costs for urgent deliveries resulting from products not conforming to specifications.

5. Warranty

- 5.1 The supplier guarantees the functional requirements of the delivered products, that the products are correctly and professionally executed, free from defects and correspond with the agreed specifications, and that they are suitable for the purposes indicated by VBG.

- 5.2 The warranty expires 12 months after the date that the products have been delivered to the end customer.

- 5.3 On markets where VBG has a longer warranty or liability for faults in view of peremptory provisions, the supplier's liability in relation to VBG, in addition to clauses 5.1 and 5.2, shall be regulated in a separate agreement.

- 5.4 The time limit concerning the supplier's warranty undertaking shall not be valid if, after the expiry of the warranty period, a marked increase in the number of defective products is detected, on the assumption that the same type of fault has also occurred during the warranty period, or if defective products are detected which imply a significant risk of personal injury and the fault has not occurred as a result of normal wear and tear.

6. Spare parts

The supplier shall on reasonable grounds supply spare parts to such an extent that VBG can offer spare parts to its customers for ten years after production of the annual model in question has ceased.

7. Deliveries

- 7.1 Deliveries shall be made in accordance with VBG's orders, delivery plans and other delivery instructions.
- 7.2 The delivery precision shall be 100 % in terms of timing and the delivered number in accordance with confirmed and accepted orders.
- 7.3 The supplier is responsible for the payment of extra transport costs resulting from incomplete deliveries.
- 7.4 Quantities delivered in excess of those ordered may be returned to the supplier at the supplier's expense. Alternatively, the supplier may be held responsible for storage costs.
- 7.5 The parties shall immediately report to each other any such circumstances which may influence deliveries.

8. Delivery clause

Where appropriate the delivery clause shall be interpreted in accordance with the "Incoterms 2020" valid on delivery. Unless otherwise agreed the delivery clause shall be FCA (FREE CARRIER), from the supplier's factory.

9. Technical modifications

VBG reserves the right to change specifications for ordered products. Subsequent changes to prices and other terms shall be agreed in writing in a separate agreement.

10. Specific model-related equipment

- 10.1 Specific model-related equipment refers to all tools, jigs, fixtures, moulds, models and other equipment specially manufactured and adapted for the product or supplied by VBG.
- 10.2 VBG is entitled in return for reasonable compensation to acquire and thereafter to freely dispose of specific model-related equipment.
- 10.3 A list of specific model-related equipment shall be prepared by the supplier and made available to VBG.
- 10.4 Specific model-related equipment, which is the property of VBG, shall be marked by the supplier in such a way that it is quite clear that the equipment belongs to VBG.
- 10.5 The supplier shall ensure that specific model-related equipment is stored safely and insured to an amount corresponding to the acquisition value.
- 10.6 Specific model-related equipment may not be modified, copied, destroyed or scrapped without the written approval of VBG.
- 10.7 The supplier may not without the written consent of VBG use specific model-related equipment for manufacturing on their own or another party's behalf.
- 10.8 The supplier shall on their own initiative and at their own expense maintain and when necessary renew specific model-related equipment. In those cases where specific model-related equipment requires to be renewed, the supplier shall inform VBG of this in good time. Unless otherwise agreed, such renewal shall be at the supplier's expense.

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11. Secrecy

11.1 All information, equipment, know-how and technical documentation, including data stored in electronic form and computerised geometry, which the supplier has received access to through this business relationship, shall be treated confidentially during the period of the agreement and thereafter. Copying and training are only permitted within the framework for the completion of the supplier's undertakings and with regard to copyright legislation.

11.2 The supplier may only make public this business relationship in advertising, or otherwise use the company or trademark of VBG, after the written consent of VBG.

12. Terms of payment

Payment shall be made in accordance with the terms agreed between the parties.

13. Payment

13.1 The time of payment is from receipt of the invoice by the invoice addressee given on the order, but no earlier than the date of delivery. A prerequisite for payment in good time is that the invoice is correctly addressed without reference to personal attention, and that it indicates the complete order number.

13.2 Payment received does not imply an approval of the delivery or of the invoiced amount.

14. Protection of industrial property

14.1 If VBG has carried out, participated or paid for construction work concerning the agreed product, the industrial and intellectual property rights shall go to VBG unless otherwise agreed in a separate agreement.

14.2 If the rights to the product do not belong to VBG the supplier is responsible for ensuring that the product does not infringe the industrial and intellectual property rights of another party. The supplier undertakes in such a case to maintain VBG free from damages and if possible to replace the product with another product that does not infringe the right of another party, or alternatively to acquire the requisite licence.

14.3 The supplier undertakes not to manufacture products unique to VBG for the supplier or a third party.

15. Export control

If the supplier's products, or parts thereof, can be considered to fall under national export or control regulations it is incumbent on the supplier to inform VBG in writing to this effect and the implications of such export restrictions. The supplier shall also keep VBG informed of changes in export regulations for the supplier's products.

16. Consequences

16.1 If products are delivered too late, or if defective products are not adjusted or replaced without delay, VBG is entitled in full or in part to cancel the order for the product and/or to receive damages. The damages may include compensation for costs in conjunction with the loss of production.

16.2 In the case of conduct otherwise in conflict with these terms the parties are entitled to receive damages.

16.3 Should either party become insolvent the other party is entitled to immediately, in full or in part, give notice of termination of the agreement.

17. Limitation of liability

Neither Party shall be liable for any indirect or incidental loss; operating losses; consequential damages; or any claims by third parties (other than which follow from preceding sections of this Agreement) and/or lost profits, revenue, customers, goodwill or interest.

A Party is responsible for direct damage incurred by the other Party which has arisen as a result of negligence on the part of that Party, but only to a maximum amount for the entire term of agreement corresponding to the total amount received by the Supplier from the Customer over a period of twelve (12) months from the time the damages were incurred or, if the Agreement has not been in effect for twelve (12) months, payable during twelve (12) months.

If a Party is prevented from fulfilling its obligations in accordance with the Agreement due to circumstances beyond its control which could not have been prevented by commercially reasonable precautions - including but not limited to fire, lightning strike, flooding, amended or new Legal Requirements, government intervention and faults or delays from the subcontractor's side related thereto - this shall constitute grounds for exemption which entail postponement of the time frame for the Supplier's performance and exemption from liability for damages and any other consequences.

A Party has an obligation to make a written complaint to the other Party regarding any faults or breaches of the Agreement within one (1) month of becoming aware of the fault/breach of Agreement, and no later than (6) months from the date when the fault/breach of Agreement occurred. This limitation of liability shall not apply where the seller has committed gross negligence.

18. Grounds for exemption ("Impediments")

18.1 Each party is not liable for failure to fulfil their obligations if the completion of this is referable to circumstances (Impediments) beyond their control and which they could not reasonably have predicted when ordering, and the consequences of which they could not reasonably have avoided or overcome. If such failure is a result of the party engaging another party in turn, the party is free from liability for such failure only if the other party engaged is free in accordance with what has been stated above.

18.2 If either party finds that they cannot fulfil their obligations as a result of such Impediment, they shall without delay inform the other party to this effect.

18.3 Each party shall be liable to take such measures, to a reasonable extent which the other party requests in view of the Impediment and which are intended to mitigate the consequences of the Impediment.

18.4 If the Impediment persists for more than thirty days, the parties are free in full or in part to renounce the orders referring to the delayed or non-forthcoming delivery without incurring liability in relation to the other party.

19. Environmental requirements

19.1 The supplier undertakes to follow the relevant laws and regulations, and to possess the requisite authorisation for the operations.

19.2 VBG works actively to eliminate harmful substances from the products. In order to track and follow up on substances of concern, material declarations are requested for new and modified parts. The MDS reporting for serial product parts, done in IMDS (International Material Data System), is mandatory for VBG in order to secure the compliance with the European REACH regulation as well as other product- and chemical legislation worldwide.

19.3 Suppliers to VBG shall perform MDS reporting in IMDS in accordance to VBG instruction Guideline to IMDS creation (01-183400).

19.4 Suppliers to VBG shall in accordance with Article 33 REACH Regulation declare supplied products containing SVHC listed on the REACH candidate list. This applies to articles containing SVHC in concentrations above 0,1 per cent weight by weight of any contained sub-part. Necessary information (article name/identifier, CAS number, SCIP reference) shall be declared and provided together with initial sample report.

19.5 Suppliers to VBG are also responsible for their respective sub-suppliers for deploying these Environmental requirements through their supply chain.

19.6 Environmental related data from production, products and transport must be available upon request for VBG to enable environmental assessments (ex. Life Cycle Assessment).

19.7 The supplier shall endeavour to reduce the environmental impact by selecting environment-friendly processes

19.8 The supplier shall endeavour to select environmentally-adapted and recyclable materials where this is possible during the development and manufacturing of products, and to incorporate only a small number of different types of materials.

20. Code of Conduct

20.1 all providers of goods and/or services to VBG Group Truck Equipment AB should be aware of the formal Code of Conduct that is implemented and adapted through all divisions of the VBG GROUP.

20.2 The VBG GROUP encourages all our suppliers, consultants and other business partners within its sphere of influence to adapt to these principles. As a provider or potential provider of goods and/or services to VBG Group Truck Equipment we expect you to adhere to and/or have the equivalent set of guidelines within your company for Business Principles, Environmental Principles, Human Rights and Workplace Practices.

21. Transfer rights

21.1 The supplier may not transfer or delegate their undertakings in accordance with the agreement or its terms without the consent of VBG in writing.

21.2 If VBG permits the supplier in full or in part to assign the manufacturing to another company, the supplier shall ensure that this company follows the regulations in this agreement and its terms in its appropriate parts. This does not relinquish, however, the supplier from their undertakings in accordance with the agreement or its terms.

22. Partial validity of the purchasing terms

22.1 In the event that any clause in these terms should be invalid as a result of legislation, only that clause shall be considered to be invalid while the remaining clauses remain valid.

22.2 In such case the parties shall draw up an agreement for a new clause, which replaces the invalid clause, and which in its interpretation provides the same or equivalent result.

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23. Law

The agreement and its terms shall be interpreted in accordance with Swedish law. If the supplier and VBG both have their places of business in Denmark, Finland, Iceland, Norway or Sweden, the Sale of Goods Act 1990:931 and in other cases the 1987:822 Act on International Purchasing, shall be applicable, whereby the English language version of articles 1-13 and 25-88 in the United Nations Convention of 11 April 1980 shall apply.

24. Arbitration

Disputes concerning the interpretation or application of the agreement and its terms shall be settled by arbitration in accordance with the applicable Swedish law on arbitration at the time. The arbitration procedure shall be held in Vänersborg, Sweden.