

Australian addendum to Volvo's General Purchasing Conditions (May 2021) ("Addendum")

- 1 **When this document applies.** This document applies if Volvo Group Australia Pty Ltd ("Volvo") and Supplier enter into a Purchase Agreement under Volvo's General Purchasing Conditions (**GPC**) that is a 'small business contract' (as defined in the Australian Consumer Law – Schedule 2 to the *Competition and Consumer Act 2010* (Cth)) and prevails over the GPC.
- 2 **Information about financial position.** In exercising its rights under Section 5.5 of the GPC to undertake an audit of the Supplier's financial position, Volvo will act reasonably and will avoid making requests that require the Supplier to incur material additional cost except where reasonably necessary to protect Volvo's legitimate interests. Volvo will not reduce the price of Parts under Section 5.5 of the GPC.
- 3 **The Supplier's obligation to maintain capacity to meet Volvo's forecasts.** In respect of Section 8, Volvo will develop forecasts and place orders in good faith and with due care and skill based on the best information available to it at the time of its forecasts and orders and in a way that reasonably reflects Volvo's judgement of market trends and production needs.
- 4 **Orders placed by Volvo.** Noting that the Supplier is required to deliver Parts in accordance with all Orders issued by Volvo, subject to the Supplier's compliance with its capacity obligations, Volvo will not issue Orders which set out an unreasonably excessive quantity of Parts (in excess of Volvo's forecasted quantities) or an unreasonably short lead time.
- 5 **Set off.** Volvo will only exercise its rights under Section 9.8 of the GPC (in relation to set off) to set off against amounts owing to the Supplier amounts which the Supplier owes Volvo (or an AB Volvo Subsidiary) under the Purchase Agreement.
- 6 **Volvo's warranty claims.** Section 11.6 of the GPC does not apply.
- 7 **Supplier's due diligence.** Section 11.8 of the GPC (in relation to the Supplier's due diligence obligations) is amended so that Volvo is required to provide to the Supplier all information that is necessary for the Supplier to manufacture and deliver the Parts.
- 8 **Inspection of Parts.** Volvo will act reasonably in exercising its rights under Section 12.4 of the GPC to inspect all Parts.
- 9 **New or amended requirements.** (a) Any changes during the term of a Purchase Agreement to the Technical Specifications, or any other directions, instructions requirements which Volvo imposes on the Supplier under the GPC (other than a Volvo Procedure or Standard), which are material and will cause the Supplier to incur additional costs, are subject to the Parties' agreement on change in price. (b) The Parties must meet and negotiate any proposed price change in good faith. (c) However, if following such negotiations, no agreement is reached, then Volvo may terminate the Purchase Agreement with the Supplier.
- 10 **Termination after failure to agree new or amended requirements.** If Volvo exercises its right to terminate the Purchase Agreement under Section 19.3 of the GPC (because the Supplier has objected to an amendment of a Volvo Procedure or Standard), or under section 9 of this Addendum, then (a) the Supplier's obligations under Section 34.6 of the GPC (in relation to transition out obligations) will be performed at Volvo's cost; (b) Volvo will pay for all firm orders as at the date of termination, and the Supplier must supply the Parts in accordance with those firm orders under the previous Volvo Procedure or Standard, except if Volvo directs the Supplier not to supply the Parts (in such cases Section 8.8 of the GPC shall apply); and (c) Volvo will pay the Supplier's reasonable and substantiated costs (which the Supplier must mitigate to the extent possible) directly incurred as a result of Volvo's termination. Nothing in this Section entitles the Supplier to claim or be paid for loss of profit, loss of revenue, loss of opportunity or loss of business.
- 11 **Use of Volvo's name.** Nothing in Section 23.8 of the GPC (which prohibits the Supplier from using Volvo's corporate name or trademarks) prevents the Supplier from using Volvo's name as reasonably required in the process of litigation or arbitration under the Purchase Agreement.
- 12 **Compliance with all Data Protection Regulations.** Section 24 of the GPC does not apply. If the Parts supplied by the Supplier process personal data, then the Parties will enter into a separate agreement setting out the Supplier's obligations in relation to compliance with Data Protection Regulations with respect to the operation of the Parts.
- 13 **Assignment and transfer of rights.** In relation to Volvo's right to assign or transfer its rights and obligations in Section 33.1 of the GPC, Volvo will not assign or transfer its rights or obligations in connection with any sourcing activity or sale as part of the Volvo Group's business, without the Supplier's consent. Volvo will only assign or

transfer its rights and obligations to any AB Volvo Subsidiary without the Supplier's consent if the AB Volvo Subsidiary is capable of performing the Purchase Agreement.

14 **Termination for insolvency.** A Party may only terminate the Purchase Agreement under Section 34.5 of the GPC (for the other Party's insolvency) to the extent permitted by applicable law.

15 **Applicable law.** Subject to Section 16 (Disputes) of this Addendum, the governing law of the Purchase Agreement (including the GPC) is the law of Queensland, Australia.

16 **Disputes.** Any dispute, controversy or claim arising out of, relating to or in connection with this contract, including any questions regarding its existence, validity or termination, shall be resolved by arbitration in accordance with the ACICA Expedited Arbitration Rules. The seat of arbitration shall be Brisbane, Australia. The language of the arbitration shall be English. 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.

17 **Losses claimed by Volvo.** Notwithstanding anything in the GPC, Volvo must take reasonable steps to mitigate any loss or damage it claims against the Supplier under an indemnity (including under indemnities in a Price Agreement) or under any provision of the GPC.

18 **Volvo's liability.** Notwithstanding anything in the GPC, nothing excludes Volvo's liability for, and the Supplier is not responsible for, Volvo's breach of contract, breach of law, negligence or misconduct. Any liability of the Supplier is reduced to the extent Volvo caused or contributed to the relevant event giving rise to liability.

19 **Design obligations.** Any obligation on, or liability or responsibility of, the Supplier that arises from the design of the Part or Typebound Tooling is reduced to the extent that the Supplier's obligations under the GPC or any agreement between the Supplier and any AB Volvo Subsidiary do not include designing of the Part or Typebound Tooling.