

VOLKSWAGEN Group Rus OOO Procurement Conditions for Freight Forwarding Services

Version: 2022-07-22

1. Applicable Law / General Provisions

- 1.1.** For contracts made according to the VOLKSWAGEN Group Rus OOO Procurement Conditions for Freight Forwarding Services (hereinafter, the **PC FFS**), their interpretation and enforcement, as well as for all other legal relations arising between the Parties, the substantive and procedural law of the Russian Federation shall apply. Unless otherwise provided in the Contract, when a Contractor arranges international carriage of cargo by road, the norms of the Convention on the Contract for the International Carriage of Goods by Road (CMR) shall apply (Geneva, May 19, 1956).
- 1.2.** The PC FFS shall apply to the Contracts for the Provision of Freight Forwarding Services by road.
- 1.3.** The PC FFS shall apply to the extent consistent with the terms and conditions of the Contract. In case of a conflict between the terms and conditions of a specific Contract and the PC FFS, the terms and conditions of the specific Contract shall prevail even if not explicitly stated therein. Non-application of certain terms and conditions of the PC FFS in specific cases, inclusion of other additional conditions in the Contracts, as well as determination of their priority shall depend on the contractual terms and conditions characteristic of the respective Contract type. Moreover, certain terms and conditions of the PC FFS may not apply in individual cases to specific legal relations between the Parties if expressly stated in the relevant Contract with a reference to the relevant non-applicable provisions of the PC FFS.

2. Definitions

Unless otherwise specified in the PC FFS, the terms and definitions used therein shall be used in the meaning specified in the General Purchase Conditions of OOO VOLKSWAGEN Group Rus/ Scope of General Acquisition (hereinafter, the **GPC**), Freight Forwarder Guidelines for Providing Freight Forwarding Services for Production Sites of VOLKSWAGEN Group Rus OOO in Kaluga/Nizhny Novgorod (hereinafter, the **Guidelines**).

Unless the provisions of the PC FFS require otherwise, the following definitions both in the singular and in the plural shall have the following meaning:

Time Slot shall mean time and date of the planned arrival of the Contractor's Vehicles to the place (warehouse) of loading/unloading/customs station;

Consignee shall mean a legal entity indicated by VGR in the relevant Transportation Order, which, by the direction of the Consignor, shall receive the cargo at the destination point;

Consignor shall mean VGR or any other legal entity that has handed the cargo over for transportation and that is indicated by VGR as the consignor in the relevant Transportation Order;

Cargo shall mean Vehicle Components, Vehicles, Motorcycles and/or spare parts thereof, as well as any other goods to be transported and indicated by VGR in the relevant Contract and/or Transportation Order;

Contract shall mean contract for the provision of freight forwarding services, including one-time and framework freight forwarding contracts;

Transportation Order shall mean an order to a Contractor from VGR for transportation of the Cargo stated in such order;

Full Truckload shall mean Cargo transported from the Consignor's place of loading to the Consignee's place of unloading. Such transportation is carried out when the Vehicle can accommodate all the Cargo of one Consignor or one batch of the Cargo, while the unloading thereof may take place at different warehouses of the Consignee;

Round Trip shall mean the process of the Cargo transportation (except for Vehicles transported by vehicle transporters), when the Vehicle, after the Cargo delivery to the Consignee, is loaded with containers and delivers it to the point of dispatch, or after delivery of the containers, transports the Cargo to the point of dispatch;

Packaging Number shall mean internal number of the package used by all legal entities of VOLKSWAGEN Group;

Standard Downtime shall mean the period of undergoing customs procedures and/or loading and unloading at the Consignor/Consignee premises that is included in the FFS cost.

Supplier shall mean a legal entity performing the Cargo delivery under orders of VOLKSWAGEN Group Rus OOO;

Less Than Truckload shall mean transportation of Cargo from different consignors in one direction on one Vehicle when the amount of the Cargo of one Consignor is not sufficient to fully load the Vehicle in use;

Single shall mean the Cargo transportation process when a Vehicle only delivers the Cargo (or containers) to the Consignee and does not return to the point of dispatch;

Subcontractor shall mean third party engaged by the Contractor to perform the Contract. Requirements specified in the PC FFS shall equally apply to Subcontractors;

Waybill shall mean a waybill according to the form approved by Decree of the Government of the Russian Federation No. 2200 dated December 21, 2020;

Vehicles shall mean vehicles, including trailers, semi-trailers, and combined vehicles that are used for Cargo transportation. One and the same Vehicle may be used to transport either Full Truckload or Less Than Truckload;

FFS shall mean freight forwarding services;

CMR shall mean an international consignment note;

TSW shall mean Temporary Storage Warehouse;

GAZ shall mean OOO GAZ Automobile Plant;

Kanban shall mean a transport concept of Cargo delivery from the Suppliers and return of the containers to them carried out under the following conditions:

- a) the length of the delivery route to VGR is less than 50 km;
- b) delivery of the Cargo and return of the containers are carried out in accordance with a strict schedule of Time Slots at the entrance control of VGR and at the Supplier's premises;
- c) withdrawals (Cargo order) are carried out not later than 4 hours before the delivery of the Cargo to VGR, and confirmation of withdrawals is sent within 30 minutes from sending the withdrawal. Detailed conditions for sending withdrawals under the Kanban concept are defined in Appendices No. 8.1., 8.1.1., 8.1.2., 8.2., 8.2.1. to the PC FFS.

3. Requirements for the Contractor's and Its Subcontractors' Employees

3.1. In order to provide the FFS, the Contractor shall:

- 3.1.1. engage a sufficient number of qualified employees who can communicate in the respective languages of the Consignor/Consignee. The skills of employees engaged by the Contractor to perform the relevant Contract shall comply with the requirements of the current legislation of the Russian Federation; moreover, the Contractor shall ensure that such employees regularly undergo safety training and, in case of Vehicle transportation, training on the VW requirements for handling new Vehicles that are communicated to the Contractor additionally;
- 3.1.2. Familiarize all employees and Subcontractors engaged in the performance of a Contract with the requirements established by the relevant Contract, GPC, Guidelines, and PC FFS, including the Instruction for Drivers (Appendix No. 6.1., 6.2. to the PC FFS) as may be required for the proficient performance of their official duties/obligations under the contract by such employees and Subcontractors, including the confidentiality requirements in accordance with Section 14 of the GPC, as well as ensure that the employees and Subcontractors comply with the confidentiality requirements with respect to any information received in connection with the Contract performance;
- 3.1.3. No later than within three (3) business days after signing the Contract, provide VGR with a list of employees appointed by the Contractor as responsible for the performance of the relevant Contract, as well as provide all their contact details, including the number of landline and corporate cell phone numbers, as well as the corporate e-mail address. The Contractor shall be liable for the accuracy of such details and for obtaining the employees' consent to the disclosure of these details to VGR. In case of any changes in the list of the above-mentioned persons or their contact details, the Contractor shall provide VGR with new details without delay.

- 3.1.4. Ensure the availability of persons specified in the list stipulated in Clause 3.1.3 of the PC FFS at least by one of the communication means specified in the list, 7 days a week from 08:00 a.m. to 08:00 p.m. (Moscow time). The Contractor shall also make sure that at least one of such persons is contactable by for VGR in urgent cases at any other time;
 - 3.1.5. Upon written request of VGR, not involve in a Contract performance (replace or dismiss) the Contractor's employees indicated by VGR in such written request, as well as Subcontractors and/or their employees. Such request may be sent by VGR to the Contractor in the event of supposed fraud, theft, misappropriation, damage to the Cargo, drug abuse, damage to the business reputation of VGR or VW, any other misconduct, or in the event of any other reasons entailing, in the opinion of VGR, the need for this request. The Contractor may not dispute such request of VGR;
 - 3.1.6. Ensure verification of the personnel engaged for the provision of services, as well as verification of references submitted by the employees and Subcontractors;
 - 3.1.7. Engage for the provision of services under the relevant Contract only those forwarder drivers who, in compliance with the requirements of the current legislation of the Russian Federation, are qualified to perform such functions based on the results of the relevant medical examination(s);
 - 3.1.8. Ensure, if necessary, that the Vehicle driver can provide documents confirming the right to transport the Cargo (copy of the power of attorney, other documents).
- 3.2. The requirements provided for in Clauses 3.1.5 and 3.1.7 of the PC FFS are essential conditions of the Contract. If the Contractor fails to comply with the requirements of these clauses, VGR may refuse execution of a relevant Contract unilaterally out of court by sending a written notice to the Contractor. In this case, the Contract shall be deemed terminated from the date specified in such notice.

4. Rights and Obligations of the Parties

4.1. When transporting the Cargo, the Contractor shall:

- 4.1.1. Perform the FFS under the Transportation Orders of VGR/third parties specified by VGR strictly following the conditions of the Transportation Order/Contract (term and quality of transportation, Vehicle parameters) according to the requirements of these PC FFS, Guidelines, and Contract;
- 4.1.2. Accept the Cargo for transportation by the number of colli, check the integrity of the packaging/Vehicles;
- 4.1.3. Ensure that the Subcontractor's driver secures the Cargo inside/on the Vehicle according to the requirements of the Guidelines, PC FFS, Contract, and legislation of the Russian Federation. For this purpose, the Vehicle driver shall have all necessary assembly tools and points of support in the Vehicle. If the Vehicle does not correspond to these requirements, the Consignor/Consignee shall be entitled to refuse loading (VGR shall decide whether the loading is impossible);
- 4.1.4. If any deficiencies are revealed during loading and may cause damage to the Cargo in transit, the Contractor shall notify VGR (contact person indicated in the Transportation Order) thereof without leaving the loading site and make appropriate notes in the documents;
- 4.1.5. Check that the shipping documents and information provided by the Consignor are true, sufficient/completed in full, and correspond to each other, including:
 - information on the availability of addresses of loading and unloading points,
 - indication of the number of colli,
 - correct indication of the license plate number of the towing vehicle and semi-trailer (if any),
 - indication of the date and time of the document signing;
 - time of loading and unloading operations;
 - packaging number;
- 4.1.6. Ensure the safety of the transported Cargo at all stages of transit from the moment of their acceptance for shipment until they are delivered to the Consignee;
- 4.1.7. Ensure that the Cargo is transported in the form in which it is loaded into the Vehicle. The Contractor may not divide the Full Truckload accepted for transportation and transport it in several Vehicles without prior approval of the Consignee;
- 4.1.8. Organize delivery of the Cargo at the time and destination specified in the Transportation Order/Contract, as well as the transfer of the Cargo to the Consignees in apparent good order and condition (according to the number of colli specified in the shipping documents); organize the transfer of accompanying documents to the Consignees and receipt of the said documents signed and sealed by the Consignees. The Cargo shall be deemed transferred to the Consignee at the destination point at the time of signing by the Consignee's representative of the relevant documents indicating the date, time, signature, and seal of the Consignee on receipt of the cargo;

- 4.1.9. Fill in the Shipping Register (Appendix No. 3.1., 3.2. to the PC FFS);
- 4.1.10. Provide the Vehicles in accordance with the Transportation Order of VGR/third party indicated by VGR. If a vehicle with a larger volume and load capacity is provided, VGR shall not, therefore, incur additional costs and pay for services in accordance with the rate for the submitted Transportation Order. If a vehicle with a smaller volume and carrying capacity is provided, or a Vehicle with defects or design features that do not permit cargo operations in accordance with the established procedure (e.g., side loading/unloading is required, but the truck does not have this option), VGR/VGR representative shall inform the Contractor by e-mail, and the Contractor shall provide a replacement as soon as possible in accordance with the previously confirmed Transportation Order. The time when Vehicle is available under this Transportation Order shall be calculated from the time the replacement is provided; its waiting time shall equal the delay in making the Vehicle available and entail payment of a penalty by the Contractor in accordance with Clause 2 of Section I.1., Clause 1 of Section I.2. of Appendix No. 1 to the PC FFS. If the defective condition of the Vehicle has resulted in additional time for unloading/loading or impossibility of unloading/loading, then the Contractor shall be charged a penalty in accordance with Clause 6 of Section I.1. of Appendix No. 1 to the PC FFS. Replacement of the Vehicle upon request of the Contractor which has led to additional manipulations shall be equated to the defective condition of the Vehicle (e.g., if the Vehicle was declared for the Round Trip, and the loading of containers for VGR into the Vehicle has already begun, then reloading upon request of the Contractor to another Vehicle is possible, but with payment of a penalty by the Contractor);
- 4.1.11. Immediately inform VGR (contact person indicated in the Transportation Order) at the e-mail address about the following facts and circumstances:
- all unscheduled delays of Vehicles along the route, accidents and other unforeseen circumstances that prevent timely delivery of the Cargo. The Contractor shall take immediate measures required to replace the Vehicles in the event of a breakdown, accident, etc. in order to assure timely delivery of the Cargo to the Consignees, and shall inform VGR about the expected time of delivery;
 - danger of damage to or loss of the VGR Cargo and other circumstances beyond the Contractor's control which threaten the Cargo and/or Vehicles and the quality of the FFS or cause the impossibility of provision thereof. In such case the Contractor shall take all necessary measures to ensure safety of the Cargo;
 - any actions of public authorities in connection with, for instance, inspection of the transported Cargo, which have required unloading and reloading, and inspecting the Cargo. In all instances of inspection, the Contractor shall immediately inform VGR and obtain the corresponding inspection certificate which shall then be provided to VGR;
 - facts of seizure by public authorities of any quantity of the Cargo. In this case, the Contractor shall demand that such seizure be documented in the form of a written record in the consignment note with a seal of the public authority or in the form of a seizure certificate, which shall then be submitted to VGR;
 - facts of damage to the Contractor's Vehicles inflicted by the Cargo, by actions of VGR or any third parties engaged by it during loading of the Cargo;
 - the Contractor shall inform VGR in advance about changes in the transportation route of the Cargo if this affects the fulfillment of the transportation conditions, e.g., delivery time (changes of the transportation route shall not increase the amount of payment for the Cargo transportation);
- 4.1.12. Upon request of VGR, pay penalties provided for by the Contract, PC FFS according to the procedure established in Section 9 of the PC FFS;
- 4.1.13. Transport dangerous Goods according to the requirements of the applicable laws, including the requirements of the European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR, Geneva, September 30, 1957);
- 4.1.14. If more careful tracking of the Vehicle with a certain Cargo is required, provide information on the location of the Cargo on request (by e-mail or by phone) on a 24/7 basis within the term specified by VGR.
- 4.1.15. To fulfill the conditions of the Contract and under the relevant power of attorney of VGR, sign the accompanying documents for the Cargo on behalf of VGR for the Cargo acceptance/handover. Issue, on its own behalf, powers of attorney to drivers carrying out cargo transportation for VGR to receive the Cargo from the Suppliers.

4.2. When transporting the Cargo to VGR production sites to Kaluga/Nizhny Novgorod, the Contractor shall:

- 4.2.1. In addition to the requirements indicated in Clause 4.1.3 of the PC FFS, the Vehicle driver shall have ratchet straps with the length of at least 8 meters and in the amount of no less than 14 pcs., and plastic angles for support of top pallets. If the Vehicle does not correspond to these requirements, the Consignor shall be entitled to refuse loading (VGR shall decide whether the loading is impossible); In this case, the Contractor shall replace the Vehicle. The waiting period for the Vehicle replacement shall be deemed non-compliance

with the Time Slot, and the Contractor will be liable to pay a penalty under Clauses 4, 7 of Section I.1. of Appendix No. 1 to the PC FFS.

- 4.2.2. Ensure that the time for uncovering/covering the Vehicle does not exceed 15 minutes per each operation for international transportation, and 7 minutes per each operation for transportation within the Russian Federation;
- 4.2.3. notify VGR (contact person indicated in the Transportation Order) if the packaging is damaged, and the Consignor if the Cargo needs to be repackaged or the packaging requires additional reinforcement (e.g., stretch film wrapping, etc.). If the Contractor fails to notify VGR, the Cargo shall be deemed accepted for transportation in the appropriate packaging, and the Contract shall be held liable for the Cargo safety from the acceptance thereof for transportation until the handover to the Consignee.

If the Cargo is accepted for transportation in improper packaging (any discrepancy between the Packaging Number indicated on the packaging and in the shipping documents shall be also deemed improper packaging) or damaged packaging (packaging with dents, folds, and deformation shall be deemed damaged) with the prior consent of VGR, the fact of improper or damaged packaging shall be recorded by the Contractor in all counterparts of the accompanying documents at the time when the Cargo is accepted for transportation. An absence of the appropriate records in the documents upon acceptance of the Cargo by the Contractor shall confirm the transfer of the Cargo and its acceptance by the Contractor in undamaged and proper packaging suitable for transportation and entail the responsibility of the Contractor for the Cargo's safety from its acceptance for transportation until the handover to the Consignee.

After accepting the Cargo for transportation, the Contractor shall settle all subsequent complaints regarding packaging at its own expense and using its own resources;

- 4.2.4. When accepting the Cargo from the Consignors for transportation, oversee the loading process, including the loading sequence, verify the number of unit loads (boxes, pallets, etc.) and compliance with the Packaging Number according to the shipping documents without opening containers and inspect such unit loads visually for packaging integrity;
- 4.2.5. Comply with the rules of visiting GAZ temporary storage warehouse, Nizhny Novgorod (Appendix No. 9 to the PC FFS);

4.3. The Contractor shall be entitled to:

- 4.3.1. Take all necessary and reasonable measures to properly fulfill obligations under the Contract/Transportation Order in accordance with these PC FFS, Guidelines including, if there are no specific written instructions from VGR, independently choosing the transportation route, as well as performing other actions related to the Cargo transportation, and, if necessary, customs clearance of the Cargo on the territory of the European Union;
- 4.3.2. Require VGR to provide the documents necessary for the FFS provision;
- 4.3.3. Subject to Clause 7.1. of the GPC, conclude on its own behalf contracts for Cargo transportation and contracts for freight forwarding, as well as other contracts necessary for the Cargo transportation;
- 4.3.4.

4.4. VGR shall:

- 4.4.1. Provide the Contractor with information and documents, including copies of certificates, licenses, power of attorney, required for it to duly perform PC FFS;
- 4.4.2. Enable loading/unloading by the Consignor/Consignee of the Cargo to/from the Vehicle provided by the Contractor (except for Vehicles) according to the nomenclature and in the amount specified in the Transportation Order to the Contractor within the terms established in the PC FFS.

5. Detection of Damage to Packaging or Damage to the Cargo (for Vehicle Components)

- 5.1. If during the transfer of the Cargo to VGR, damage to the packaging or damage, *dirt, soaking, drop out of the seat* to the Cargo is detected, the representatives of the Contractor and VGR shall draw up an Inbound Delivery Certificate (Kaluga)/Acceptance Certificate for Damage, Loss During Transportation (Nizhny Novgorod) in the form provided in Appendix No. 4.1/4.2 to the PC FFS (hereinafter, the Certificate) in two counterparts (one for each Party). The presence of damage to the packaging/the Cargo, *dirt, soaking, drop out of the seat* and the drawing up of such Certificate shall be noted in the corresponding column of the Waybill or CMR. If one of the Parties refuses to participate in the drawing up/signing of the Certificate, the Certificate shall be drawn up and signed by the other Party unilaterally. A corresponding note on refusal of one of the Parties to participate in the drawing up/signing of the Certificate shall be made in the Certificate, and VGR shall notify the Contractor thereof by e-mail/phone.

- 5.2 If damage to the packaging/the Cargo is detected outside the territory of VGR, the Contractor shall make the corresponding notes on presence of damage to the packaging/the Cargo in the corresponding column of the Waybill or CMR.

6. Terms and Conditions of the FFS Provision

6.1. Cargo Transportation (except for Vehicles, Motorcycles, and Spare Parts) within the Russian Federation

- 6.1.1. The Contractor shall provide the FFS upon request of VGR under the Transportation Orders of VGR or third party authorized by VGR — the Supplier sent by VGR (Supplier) within the terms stated below by e-mail. The Parties agree that the Transportation Order shall be sent in the Excel file format in the form provided in Appendix No. 10 to the PC FFS.
- 6.1.2. For intercity cargo transportation, the Transportation Order shall be submitted separately for each ordered Vehicle before 05:00 p.m. (Moscow time) no later than two business days prior to the Time Slot at the Consignor's warehouse specified in the Transportation Order.
- 6.1.3. For intracity and suburban cargo transportation, the Transportation Order shall be submitted for each ordered Vehicle (indicating the total planned time of work under the Transportation Order) before 12:00 p.m. (Moscow time) no later than one business day prior to the Time Slot at the Consignor's warehouse specified in the Transportation Order.
- 6.1.4. The delivery time of the Cargo shall correspond to the time specified in the Transportation Order or be additionally agreed by the Parties by e-mail.
- 6.1.5. The Contractor shall provide data on the Vehicle type, license plate number of the truck and trailer/semi-trailer (if any), full name of the driver, contact phone number, scanned copy of the power of attorney for the Cargo receipt from the Consignor before 03:00 p.m. (Moscow time) one business day prior to the Time Slot at the Consignor's warehouse specified in the Transportation Order. A scanned copy of the Power of Attorney shall be provided only if the Cargo is received outside the VGR warehouses. Failure to provide this information within the indicated term shall equal to the Contractor's refusal of the Transportation Order and result in a penalty specified in Appendix No. 1 to the PC FFS.
- 6.1.6. To accept the services provided, the Contractor shall send to VGR the Shipping Register according to the form provided in Appendix No. 3.1./3.2. to the PC FFS, and all original Waybills.
- 6.1.7. Reloading of the Cargo along the route of the Vehicle is not allowed, except for force majeure events when reloading of the Cargo is required, which shall be agreed in advance with VGR (with the contact person in the Transportation Order) by e-mail or by phone (outside working hours), after which the message must be sent by e-mail.
- 6.1.8. The Cargo shall be transported in VGR's/the Supplier's container that ensures safe transportation of the Cargo along the entire route, as well as during loading and unloading operations.
- 6.1.9. The Contractor shall daily before 08:00 p.m. (Moscow time) send to VGR by e-mail the register of the provided Vehicles that will be transporting the cargo according to the Transportation Orders of VGR scheduled for the next day. The Contractor shall indicate the planned Time Slot of the Vehicle arrival to VGR for loading/unloading. If it is necessary to order a Time Slot after the register has been compiled, it shall be done in a separate e-mail specifying all the data indicated in the register for this cargo transportation.
- 6.1.10. VGR shall, within one hour after receiving the register, send to the Contractor confirmation or amendment (indicating a new Time Slot) of the requested Time Slot (it may be made by phone with further confirmation by e-mail). If there is no confirmation on behalf of VGR within the said time frame, the previously requested Time Slot shall be automatically confirmed.

6.2. International Cargo Transportation (except for Vehicles, Motorcycles, and Spare Parts)

- 6.2.1. The Contractor shall provide the FFS upon request of VGR under the Transportation Orders of VGR or third party authorized by VGR.
- 6.2.2. For international cargo transportation, the Transportation Order shall be submitted by an e-mail for each ordered Vehicle before 05:00 p.m. (Moscow time) no later than two business days prior to the Time Slot of the Cargo dispatch at the Consignor's warehouse. If the Contract allows sending a Transportation Order for urgent transportation, such Transportation Order may be made by e-mail to the Contractor 24 hours a day 7 days a week.
- 6.2.3. If the Transportation Order indicates only the loading date, then 02:00 p.m. (Moscow time) shall be automatically taken as the estimated Time Slot. For failure to comply with this time, a penalty shall be charged in the amount according to Appendix No. 1 to the PC FFS.
- 6.2.4. The delivery time of the Cargo under the Transportation Order shall correspond to the time agreed in the Contract or be additionally agreed by the Parties by e-mail.

- 6.2.5. The Contractor shall, before 12:00 p.m. (Moscow time) one business day prior to the Time Slot at the Consignor's warehouse, provide data on the license plate number of the truck and trailer/semi-trailer (if any), full name of the driver, and contact phone number. Failure to provide this information to the Consignor within the indicated terms shall equal to the Contractor's refusal of the Transportation Order and result in penalty specified in Appendix No. 1 to the PC FFS.
- 6.2.6. On the day of the Vehicle loading at the Consignor's site, the Contractor shall indicate the planned time of arrival to the Consignee and order a Time Slot for the Vehicle arrival from the responsible employees of the Consignee's transport group by e-mail.
- 6.2.7. The Contractor shall daily before 12:00 p.m. and 05:00 p.m. (Moscow time) send to VGR by e-mail a list of provided Vehicles transporting cargo under the Transportation Orders of VGR as of the current date and provide information on the Cargo location using the report form provided in Appendix No. 7.1. to the PC FFS.
- 6.2.8. VGR, on its part, shall within 24 hours (excluding weekends and holidays) after receiving the list of the provided Vehicles, send to the Contractor confirmation or amendment (indicating a new time) of the requested Time Slot (it may be made by phone with further confirmation by e-mail). If there is no confirmation on behalf of VGR within the said time frame, the Time Slot previously requested by the Contractor shall be automatically confirmed. VGR shall be entitled to shift the Time Slot to one day earlier later without incurring additional costs; VGR shall also be entitled to shift the requested Time Slot due to weekends/holidays by more than one day. Such Time Slot shift shall not constitute a breach of obligations on behalf of VGR. The new confirmed Time Slot in the Daily Information Register (Appendix No. 7.1., 7.2. to the PC FFS) shall be the delivery time of the Cargo agreed under the Transportation Order. The Standard Downtime shall be calculated with consideration of the assigned Time Slot.
- 6.2.9. The Standard Downtime in the European Union shall be 24 hours for the Single and 48 hours for the Round Trip; the Standard Downtime in Russia shall be 48 hours for the Single and 72 hours for the Round Trip.
- 6.2.10. The Vehicle shall arrive between 8:30 a.m. and 12:00 p.m. and register at the entrance to the customs control area. The Contractor shall ensure the Vehicle arrival within the above-mentioned period. Countdown of the Standard Downtime for loading/unloading and customs clearance shall start from the arrival of the Vehicles which arrive in time for the agreed Time Slot. VGR shall not be liable to pay a penalty for failure to comply with the Standard Downtime if the Contractor does not comply with the Time Slot for arrival. When the Vehicle arrives at the customs station on the day of the Time Slot after 12:00 p.m., it shall be deemed that the Time Slot has not been met and the penalty for the vehicle's downtime shall not be applied to VGR. When the Vehicle arrives before the assigned Time Slot, countdown of the Standard Downtime shall start from 08:30 a.m. of the previously agreed Time Slot. The countdown of the Standard Downtime shall end upon departure from the customs control area/end of unloading operations. The downtime rounding shall start from the 20th minute of an hour (e.g., if the actual downtime of the Vehicle is 3 hours 20 minutes, then the downtime shall be rounded down to 3 hours; if the actual downtime of the Vehicle is 3 hours 21 minutes, then the downtime shall be rounded up to 4 hours). If there is a vehicle downtime associated with failure to provide or untimely provision of the full amount of required information (complete set of documents) due to the fault of the Contractor, and the downtime entails non-compliance with the delivery time of the Cargo, the Contractor shall pay a penalty in accordance with Section I.1. of Appendix No. 1 to the PC FFS. An absence of the sanitary and quarantine control stamp "Import permitted" in the CMR shall also be deemed a failure to provide a complete set of documents, which entails the payment of a penalty by the Contractor in the amount in accordance with Clause 9 of Section I.1. of Appendix No. 1 to the PC FFS.
- 6.2.11. The Contractor shall be responsible for the proper completion of the export customs procedures at the EU border in accordance with the requirements of the applicable law. The Contractor shall ensure compliance with the requirements of the transit regime, including customs clearance, along with termination of the export regime. The place for customs procedures to release the Cargo for free circulation may change, and the Contractor shall be able to ensure the completion of customs procedures as necessary, not only to ensure transit but also to release the Cargo for free circulation at the EAEU border or when re-entering the EU, if permitted by the law.
- 6.2.12. Reloading of the Cargo along the route of the Vehicle is not allowed, except for force majeure events when reloading of the Cargo is required, which shall be agreed in advance with VGR by e-mail or by phone (outside working hours), after which the message must be sent by e-mail.

- 6.2.13. The Cargo shall be transported in the containers of VGR/the Consignor that ensure safe transportation of the Cargo along the whole route, as well as during loading and unloading operations.
- 6.2.14. The Contractor shall, upon a separate request, provide VGR with statistical data on all transportations.
- 6.2.15. Prior to the Cargo delivery, all the accompanying documents, such as the CMR (TIR Carnet upon request of VGR) and form T1, shall be sent to VGR by e-mail on the day of opening form T1.
- 6.2.16. The Contractor shall, within 12 hours after crossing the EAEU/EU border, provide VGR by e-mail with a transport invoice with up-to-date data.
- 6.2.17. VGR shall be entitled to indicate at any time by e-mail to the Contractor an additional place for loading/unloading the Cargo if the distance between the places for loading/unloading is less than 20 km. In such case, the transportation cost under the Transportation Order shall not increase. The Consignee/Consignor shall comply with the standard term of loading/unloading; if the term of loading/unloading exceeds the established standards, a penalty shall be charged in accordance with Clause 1 of Section II.1. of Appendix No. 1 to the PC FFS.

7. Checks and Controls

- 7.1. VGR shall be entitled, at any time without prior notification of the Contractor, to check the Vehicles used for the FFS provision under the Contract for the compliance thereof with the Contract requirements. The Contractor shall ensure access of VGR to the Vehicles to be checked, as well as provide comprehensive explanations on issues related to the subject matter of the check.
- 7.2. The results of such checks shall be documented in a certificate according to the form established by VGR. The check certificate shall be signed by the authorized representatives of both Parties. The Parties acknowledge that a scanned copy of the signed check certificate shall also be valid evidence confirming the Contractor's failure to perform or improper performance of its obligations under the Contract, as recorded in the certificate. In the event that the Contractor refuses to participate in issuing/signing the certificate, the certificate shall be issued and signed by VGR unilaterally. A corresponding note on refusal of the Contractor to participate in the drawing up/signing of the certificate shall be made in the certificate, and VGR shall notify the Contractor thereof by e-mail/phone.

8. Insurance and Enforceability

The Contractor shall at its own expense conclude an insurance contract for its liability for the damage, including as a result of a loss of the transported Cargo, for a total insurance amount of at least twenty million (20,000,000) rubles no later than the date when the provision of the FFS is actually started for VGR, unless otherwise provided in the Contract, and maintain such insurance throughout the term of the Contract, as well as fulfill the requirements contained in Clause 11.2 of the GPC.

9. Liability

9.1. General Provisions

- The Contractor shall be liable for the loss, shortage, or damage (spoilage) of the Cargo from the moment of its acceptance for transportation from the Consignor and signing the relevant shipping documents by the Contractor or the Subcontractor until its delivery to the Consignee (after unloading at the warehouse of VGR/the Consignee and signing of the relevant shipping documents by the Consignee) unless the Contractor proves that the loss, shortage or damage to the Cargo occurred due to circumstances which the Contractor could not prevent and the elimination of which was beyond its control.
- In the event of violation of the obligations stipulated by the Contract, including the PC FFS, the Contractor and VGR shall be guided and be held liable in accordance with the Convention on the Contract for the International Carriage of Goods by Road (CMR), other applicable international agreements and the legislation of the Russian Federation, the PC FFS, GPC.
- In case of violation of their obligations by the Parties under the Contract, the defaulting Party shall compensate the affected Party for the documented losses (actual damage and loss of profit), as well as, upon written request of the affected Party, pay the affected Party a penalty in excess of the indemnified losses. **Amount, grounds (description of the violation by the Contractor/VGR) for penalties to be paid depending on the nature of the violation are provided in Appendix No. 1 to the PC FFS.**

- Documents confirming the fact of violation of obligations by the Contractor and listed in Appendix No. 1 to the PC FFS shall be sufficient grounds for VGR to issue a claim for payment of penalties by the Contractor. VGR shall send to the Contractor a Certificate of Revealed Violations (Appendix No. 2 to the PC FFS) monthly, listing the obligations violated by the Contractor and indicating the total amount of penalties, as well as attach copies of documents confirming the fact of the violation. **The Contractor shall pay the penalties within ten (10) business days from the receipt of the Certificate of Revealed Violations.**

- Unless contrary to the requirements of the legislation of the Russian Federation, VGR shall be entitled to satisfy the requirements presented by VGR for the termination of the obligation to pay penalties established by the Contract and the PC FFS by offset. VGR shall carry out the offset unilaterally by sending to the Contractor an application for offsetting counterclaims indicating the obligation terminated by the offset, as well as the term for the termination of the obligation. The offset may be made for any invoice of the Contractor. VGR shall send to the Contractor an application for offsetting counterclaims monthly and attach calculation of the indemnity amount and certified copies of documents confirming the costs incurred, if any.

- VGR shall be liable to the Contractor for untimely payment for the FFS provided by the Contractor, as well as for an unjustified refusal (for reasons not related to the Contractor's violation of its obligations under the Contract) to accept the Cargo or its part by VGR or by the Consignee specified by VGR at a previously agreed place and time. The maximum amount of liability of VGR under each Contract in the form of a penalty and/or compensation for losses related to the late payment for the FFS provided by the Contractor shall not exceed 5% of the Contract price if the Contract price is paid in a single payment or the price of the corresponding Transportation Order if it is invoiced separately (excluding VAT);

- If the delivered Cargo or part thereof is not accepted by VOLKSWAGEN Group Rus OOO, by the attorney of VGR, or by the Consignee at the place and within the term agreed by the Parties in the Contract and/or Transportation Order, the Contractor shall ensure the safety of the Cargo, and upon the Contractor's written request and invoice along with the relevant properly executed supporting documents, VGR shall compensate the Contractor for the Contractor's additional expenses related to the storage and transportation of the Cargo as previously approved in writing by VOLKSWAGEN Group Rus OOO;

- Additional expenses caused by the requirements of the public authorities (in particular, customs screening/inspection by order of the customs authorities) and by other operations arranged or performed by the Contractor upon the instruction (with the consent) of VGR shall be paid by VGR provided that they are documented. The Contractor shall immediately notify VGR of the circumstances which caused the expenses and take necessary and reasonable measures to reduce the expenses. Additional expenses caused by failure to comply with this condition and incurred due to the fault of the Contractor shall be imposed on the Contractor.

- VGR shall not reimburse the Contractor for the costs of liability insurance for payment of customs duties.

- Indemnity for losses stipulated by the Contract, including the PC FFS shall not release the Contractor from fulfilling its obligations under the Contract.

9.2. Liability of the Contractor for loss, shortage (including splitting), or damage of the Cargo accepted for transportation:

- In case of loss, shortage (including splitting), or damage of the Vehicles / Motorcycles / Vehicle Components accepted for transportation without a possibility of recovery, the Contractor shall indemnify VGR against the losses in the amount of the declared value of such Vehicles and/or Motorcycles and/or Vehicle Components, which is determined as the value of such Vehicles / Motorcycles / Vehicle Components as per the invoice (bill and/or waybill) plus cost of transportation to the compound (according to CMR or shipping documents) plus (if any) customs clearance fee (all fees according to the Goods Declaration) plus (if any) storage costs, and pay to VGR a penalty in the amount of 10% of the total amount of losses. Moreover, (if applicable) additional costs for sorting of the damaged Cargo performed by VGR employees or third parties engaged by VGR shall be paid. If the Cargo is considered structurally failed and beyond repair, VGR shall provide the Contractor with an appropriate opinion letter. In such case, the cost of the Contractor's services for arrangement of the transportation of the lost Cargo specified in the Contract and/or the Transportation Order shall not be paid to the Contractor by VGR;

- In case of partial loss, shortage (including splitting), or damage of the Vehicles / Motorcycles / Vehicle Components accepted for carriage that does not exclude the possibility of recovery of the Cargo, the Contractor shall indemnify VGR against the losses in the amount of decrease in the actual value of the transported Cargo, which shall be determined as:

✓ cost of required works to recover the Cargo (or its upgrade) + cost of required spare parts and materials for recovery works that is confirmed by VGR;

or:

✓ on the basis of an independent examination carried out on behalf of the Contractor or VGR. If the examination is carried out on behalf of VGR, the Contractor shall indemnify VGR against the expenses for such examination, as well as against all related losses of VGR, including expenses of VGR for independent examination + storage and transportation of the Cargo + other losses related to the independent examination. Moreover, (if applicable) additional costs for sorting of the damaged Cargo performed by VGR employees or third parties engaged by VGR shall be paid;

▪ In case of loss, shortage, or damage of the **Cargo accepted for transportation, other than Vehicles / Motorcycles / Vehicle Components and Spare Parts, without a possibility to recover them**, and in other cases of non-performance or improper performance of any obligations provided for in the Contract and/or Transportation Order, the Contractor shall be liable to VGR in a form of indemnity of VGR against the documented losses caused by such loss, shortage, or damage of the Cargo accepted for transportation, and pay a penalty to VGR in the amount of 10% of the total amount of the documented losses. In such case, the cost of the Contractor's services for arrangement of the transportation of such Cargo specified in the Contract and/or Transportation Order shall not be paid to the Contractor by VGR.

▪ In case of loss, shortage, or damage of the **Cargo accepted for transportation, other than Vehicles / Motorcycles / Vehicle Components and Spare Parts, that does not exclude the possibility of recovery of the damaged Cargo**, the Contractor shall be liable to VGR in a form of indemnity of VGR against cost of required works to recover the damaged Cargo or parts thereof + cost of required spare parts and materials for the recovery works, which is confirmed by VGR or Manufacturer/Consignor of the Cargo accepted by the Contractor for transportation and damaged during the transportation, and pay a penalty to VGR in the amount of 10% of the total amount of the documented losses.

Appendices:

Appendix 1. List of the Penalties in Excess of Losses Recoverable.

Appendix 2. Certificate of Revealed Violations (Form).

Appendix 3.1. Shipping Register to the Invoice (For International Transportation Except For Spare Parts).

Appendix 3.2. Shipping Register to the Invoice (For Transportation within the Russian Federation Except For Spare Parts).

Appendix 4.1. Inbound Delivery Certificate (Kaluga).

Appendix 4.2. Acceptance Certificate for Damage, Loss During Transportation (Nizhny Novgorod).

Appendix 5. Downtime Certificate (Form) (Kaluga/Nizhny Novgorod).

Appendix 6.1. Instruction for Drivers (Kaluga).

Appendix 6.2. Instruction for Drivers (Nizhny Novgorod).

Appendix 7.1. Daily Information Register (For International Transportation Except for Vehicles, Motorcycles, and Spare Parts).

Appendix 7.2. Daily Information Register (For Transportation within the Russian Federation Except for Vehicles, Motorcycles, and Spare Parts).

Appendix 8.1. Description of the Procedure for the Kanban Logistics Project (For Transportation within the Russian Federation, Except for Vehicles, Motorcycles, and Spare Parts, Kaluga).

Appendix 8.1.1. Kanban Order Form (Kaluga).

Appendix 8.1.2. Kanban Vehicle Provision Schedule Subject to the Use of Time Slots at VOLKSWAGEN Group Rus Factory and Facility (Kaluga).

Appendix 8.2. Description of the Procedure for the Kanban Logistics Project (For Transportation within the Russian Federation, Except for Vehicles, Motorcycles, and Spare Parts, Nizhny Novgorod).

Appendix 8.2.1. Kanban Order and Delivery Schedule (Nizhny Novgorod).

Appendix 9. Rules of Visiting Temporary Storage Warehouse (Nizhny Novgorod).

Appendix 10. Transportation Order Form (For Transportation within the Russian Federation Except for Vehicles, Motorcycles, and Spare Parts).

Appendix No. 1 List of the Penalties in Excess of Losses Recoverable

I. Penalties to be recovered from the Contractor:

I.1. For international transportation (transportation between the points located in different countries)				
No.	Description of Contractor's violation	Amount of penalty, EUR	Documentation that documents the violation	Type of Cargo to the arrangement of transportation of which a penalty is applied:
1	Arrival of a Contractor's Vehicle to the customs station specified in the Contract after 12.00 p.m. of the assigned Time Slot ¹	15 per hour but no more than 150 per day	The Contractor's e-mail with the time slot order (register); registration log book with the exact date and time of arrival to the customs station.	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles, Spare Parts
2	Contractor's failure to comply with the Time Slot ² (except for cases specified in Clause 1)		Contractor's/Consignor's e-mail with the Time Slot order (including between the supplier and the freight forwarder); if available, data from the registration system (e.g., LKW Control) or Excel records.	
3	The Contractor's refusal to arrange a particular transportation (refusal to fulfill a Transportation Order) less than 24 hours before loading a Vehicle (<i>refusal shall mean the Contractor informing the responsible person of VGR by e-mail about its inability to fulfill the conditions under the Transportation Order or a lack of information about the Vehicle type according to the PC FFS</i>).	50% of the transportation cost for the Single; 25% of the transportation cost for the Round Trip	Contractor's e-mail/VGR e-mail with the Transportation Order (if there is no information on the Vehicle type under the PC FFS)	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles
4	Provision of a Vehicle type that does not correspond to the Transportation Order ³ and impossibility of its loading ⁴		Entrance control's/supplier's e-mail; VGR e-mail to the Contractor.	
5	Violation of the delivery term (except for cases specified in Clauses 1, 2)	15 per hour but no more than 150 per day	File sent by the Contractor to VGR: Daily Information Register with the date and time of the Vehicle departure; registration log book with the exact date and time of arrival to the customs station.	
6	Provision of a Vehicle in a defective condition which results or may result in additional time for unloading/loading or impossibility of unloading/loading	150 per case ⁵	Entrance control's/supplier e-mail; VGR e-mail to the Contractor; photo.	

7	Violation of the requirements for equipment of the Vehicle with Cargo support elements ⁶	15 per hour but no more than 150 per day ⁷	Entrance control's/supplier e-mail; VGR e-mail to the Contractor; photo.	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles, Spare Parts
8	Failure to comply with the access control and internal regulations by a driver at the VGR premises ⁸	15 per case	VGR/GAZ Security Department Certificate; registration card with the driver's signature confirming the familiarization with the rules of conduct at VGR.	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles
9	No sanitary and quarantine control stamp "Import permitted" in CMR	200 per case	Broker's e-mail about the absence of the stamp; scanned copy of the document with the missing stamp, also possible: VGR e-mail to the Contractor.	Vehicle Components ⁹
10	Failure to comply with the rules of conduct at GAZ temporary storage warehouse, Nizhny Novgorod	10,000 RUB per case	Temporary storage warehouse's GAZ e-mail + act	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles
11	<i>Contractor's failure to comply the rules of Vehicle sealing according to the Decree of the Government of the Russian Federation from 21.12.2020 N 2200</i>	10,000 RUB per case	<i>Temporary storage warehouse's GAZ e-mail + act</i>	<i>Cargo other than Vehicles (transported by vehicle transporters), Motorcycles</i>
12	Contractor's refusal to arrange a particular transportation (refusal to execute a Transportation Order) within the weekly transportation volume agreed in the Contract (<i>refusal shall mean the Contractor informing the responsible person of VGR by e-mail about the impossibility to fulfill the conditions under the Transportation Order, or a lack of information about the Vehicle type according to the PC FFS</i>).	50% of the transportation cost for the Single; 25% of the transportation cost for the Round Trip	Contractor's e-mail/VGR e-mail with the Transportation Order (if there is no information on the Vehicle type under the PC FFS)	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles

¹ Time Slots shall be assigned according to the procedure established in Section 6 of the PC FFS.

² According to the information from the Consignor.

³ If the provided Vehicle type does not correspond to the Transportation Order, the rules specified in Clause 4.1.10 of the PC FFS shall apply.

⁴ VGR shall decide whether the loading is impossible.

⁵ Payment of the penalty shall not release the Contractor from the obligation to provide a Vehicle for replacement which complies with the requirements specified in the Contract, Transportation Order.

⁶ The Vehicle shall have all necessary assembly tools under Clause 4.2.1. of the PC FFS.

⁷ See Clause 4.2.1. of the PC FSS.

⁸ At the entrance to the VGR territory, the driver shall read and sign the VGR Policies establishing the requirements for access control and internal regulations applicable on the VGR territory.

⁹ For Vehicle Components included in Sections II and III of the Unified List of the Goods Subject to the Sanitary and Epidemiological Supervision (Control) at the Customs Border and within the Territory of the Customs Union, approved by Customs Union Committee Decision No. 299 dated May 28, 2010. The Contractor shall be responsible for crossing the border at checkpoints with the state sanitary and quarantine control and inclusion of a note thereof in the documents.

		I.2. For transportation within the Russian Federation		
No.	Description of Contractor's violation	Amount of penalty, RUB	Documentation that documents the violation	Type of Cargo to the arrangement of transportation of which a penalty is applied:
1	Contractor's failure to comply with the agreed Time Slot ¹ for more than 15 minutes ¹⁰	500 per hour no more than 5,000 per day	Contractor's e-mail with the time slot order; registration card with the exact date and time of arrival (signed by the driver).	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles, Spare Parts
2	Contractor's refusal to arrange a particular transportation (refusal to fulfill a Transportation Order) less than 24 hours before loading a Vehicle, except for cases indicated in line 8 of this table (<i>refusal shall mean the Contractor informing the responsible person of VGR by e-mail about the impossibility to fulfill the conditions under the Transportation Order, or a lack of information about the Vehicle type according to the PC FFS</i>)	50% of the transportation cost for the Single; 25% of the transportation cost for the Round Trip	Contractor's e-mail/VGR e-mail with the Transportation Order (if <i>there is no information on the Vehicle type under the PC FFS</i>)	Cargo other than Vehicles (transported by vehicle transporters)
3	Provision of a Vehicle type that does not correspond to the Contract or the Transportation Order ³ and impossibility of its loading ⁴		GAZ Entrance control's e-mail/GAZ check-list; photo; VGR Transportation Order.	
4	Violation of the delivery term (except for cases specified in Clause 1)	500 per hour no more than 5,000 per day	registration card with date and time of arrival; "Daily Information Register" file from the Contractor with the date and time of the Vehicle departure and/or the Waybill indicating the date and time of arrival and departure.	
5	Provision of a Vehicle in a defective condition which results or may result in additional time for unloading/loading or impossibility of unloading/loading.	5,000 per case ⁵	GAZ Entrance control's e-mail/GAZ check-list; VGR e-mail to the Contractor; photo; VGR Transportation Order.	
6	Violation of the requirements for equipment of the Vehicle with Cargo support elements ⁶	500 per hour no more than 5,000 per day ⁷	Entrance control's e-mail/check-list GAZ; VGR e-mail to the Contractor; photo.	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles, Spare Parts

7	<i>Contractor's failure to comply the rules of Vehicle sealing according to the Decree of the Government of the Russian Federation from 21.12.2020 N 2200</i>	10,000 RUB per case	Temporary storage warehouse's GAZ e-mail + act	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles
8	Failure to comply with the access control and internal regulations by a driver at the VGR premises ⁸	500 per case	VGR Security Department Certificate; registration card with the driver's signature confirming the familiarization with the rules of conduct at VGR.	Cargo other than Vehicles (transported by vehicle transporters)
9	Contractor's refusal to arrange a particular transportation (refusal to fulfill a Transportation Order) within the weekly transportation volume agreed in the Contract (<i>refusal shall mean the Contractor informing the responsible person of VGR by e-mail about the impossibility to fulfill the conditions under the Transportation Order, or a lack of information about the Vehicle type according to the PC FFS</i>).	50% of the transportation cost for the Single; 25% of the transportation cost for the Round Trip	Contractor's e-mail/VGR e-mail with the Transportation Order (if there is no information on the Vehicle type under the PC FFS)	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles

I.3. For transportation of Vehicles delivered by vehicle transporters		
No.	Description of Contractor's violation	Amount of penalty, RUB
1	Violation of the terms for removal of a Vehicle from the compound (terms for response) specified in the Contract, including due to the non-compliance with the FIFO principle	600 per day per Vehicle
2	Loss of a transported Vehicle key ¹¹	7,500 per case
3	Leaving one or two vehicle keys inside a transported Vehicle resulted in locking of the access to the interior of a transported Vehicle and/or locking of the access to the transported Vehicle due to the use of the key(s) of another Vehicle ¹²	

¹⁰ Except for cases when VGR has agreed to postpone the Time Slot no later than 90 minutes before the previously scheduled one.

¹¹The Contractor shall pay to VGR a penalty for each key lost and to indemnify VGR against the cost of vehicle key recovery (manufacturing of a new vehicle key) confirmed by an invoice issued by the VGR official dealer.

¹²The Contractor shall pay to VGR a penalty for each case of locking and compensate VGR for the cost of restoration of the transported Vehicle (unlocking, replacement, and/or reprogramming of control unit, replacement of glass, etc.) and for the amount of required spare parts and materials for recovery works, which is confirmed and calculated on the basis of an invoice issued by the VGR official dealer.

4	Spill of the technical oil of a vehicle transporter (i.e., a vehicle used for transportation of the Cargo (including the tow truck) at the loading and unloading site of VGR and/or warehouse operator ¹³	3,000 per case
5	Loss of original documents to be submitted by the Contractor to VGR / Consignee / Consignor or, upon the instruction of VOLKSWAGEN Group Rus OOO, to other third parties (in particular, Manufacturer's Certificates of Origin for the Vehicles transported, etc.)	500 per document
6	Violation of the term for the delivery of Vehicles due to the Contractor's fault	500 per day per Vehicle

II. Penalties to be recovered from VGR:

II.1 For international transportation of Cargo (transportation between the points located in different countries)			
No.	Description of VGR violation	Amount of penalty, EUR	Type of Cargo to the arrangement of transportation of which a penalty is applied:
1	Downtime due to the fault of VGR exceeding the Standard Downtime	15 per hour but no more than 150 per day	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles
2	VGR refusal of transportation (rejection of a Transportation Order) less than 24 hours before loading a Vehicle Changing the Transportation Order from the Round Trip to the Single shall not constitute a refusal of transportation and shall not result in payment of a penalty.	50% of the transportation cost for the Single; 25% of the transportation cost for the Round Trip	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles, Spare Parts

II.2. For Cargo transportation within the Russian Federation			
No.	Description of VGR violation	Amount of penalty, RUB	Type of Cargo to the arrangement of transportation of which a penalty is applied:
1	Downtime due to the fault of VGR of more than 6 hours in excess of the agreed Time Slot ¹⁰	500 per hour no more than 5,000 per day	Cargo other than Vehicles (transported by vehicle transporters), Motorcycles, Spare Parts
2	VGR refusal of Transportation Order later than 2.00 p.m. one business day before the date of shipment.	50% of freight cost	

II.3. For transportation of Vehicles delivered by vehicle transporters		
No.	Description of VGR violation	Amount of penalty, RUB
1	Downtime of a vehicle transporter at the point of unloading due to the fault of the Consignee of more than 2 hours in excess of the agreed Time Slot	600 per hour

¹³The Contractor shall pay a penalty to VGR for each spill and compensate VGR for the cost of works to remove an oil spot from the territory.

Appendix No. 2 Certificate of Revealed Violations (Form)

Certificate of Revealed Violations to Contract XXX No. ... dated ...

Kaluga, XXXX XX, XXXX

According to Clause XX of Contract No. XX dated XXXX (hereinafter, the Contract) and under Clause 9.1. of the PC FFS, VGR prepared this Certificate on Revealed Violations (hereinafter, the Certificate) listing violations revealed by VGR of the Contractor's obligations under the Contract for the period from XX/XX/XX to XX/XX/XX, and the amount of penalties payable by the Contractor.

2. List of the Revealed Violations:

No.	Violation description	Date	Documentation that documents the violation <i>(document copies are attached to the Certificate)</i>	Amount of penalty
Total:				

3. Penalties indicated in Clause 2 hereof shall be paid by the Contractor within ten (10) business days from the receipt of this Certificate to the account of VOLKSWAGEN Group Rus OOO indicated in the Contract.

VOLKSWAGEN Group Rus OOO
