

FI N° 83.406 (DE)
Serapis N° 2013 0523

VW Innovative Powertrains

Finance Contract

between the

European Investment Bank

and

Volkswagen AG

**Wolfsburg, 24 October 2014
Luxembourg, 24 October 2014**

[...]

WHEREAS:

(1) The Borrower has stated that it is undertaking a project consisting of R&D in the field of fuel efficient and CO2 reducing innovative technologies during the period 2014-2017, and in particular the optimisation of conventional internal combustion powertrains, including developments in petrol engines, diesel engines, transmissions, electronic controllers as well as their adaptation and roll-out, and also the development of active safety technology, to be carried out in Wolfsburg, Germany (the "**Project**"), as more particularly described in the technical description set out in Schedule A (the "**Technical Description**").

[...]

(7) The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances and has therefore established its transparency policy, the purpose of which is to enhance the accountability of the Bank's group towards its stakeholders and the citizens of the European Union in general.

[...]

NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

[...]

(b) Definitions

In this Contract

[...]

"**Environment**" means the following, in so far as they affect human health or social well-being:

(a) fauna and flora;

(b) soil, water, air, climate and the landscape; and

(c) cultural heritage and the built environment,

and includes, without limitation, occupational and community health and safety.

"**Environmental Approval**" means any Authorisation required by Environmental Law.

"**Environmental Claim**" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

"**Environmental Law**" means:

(a) EU law, standards and principles;

(b) German laws and regulations; and

(c) applicable international treaties,

in each case above, of which a principal objective is the preservation, protection or improvement of the Environment

[...]

ARTICLE 6

Borrower undertakings and representations

[...]

6.05 Continuing Project undertakings

The Borrower shall:

[...]

(b) Environment:

(i) implement and operate the Project in compliance with Environmental Law;

(ii) obtain and maintain requisite Environmental Approvals for the Project; and

(iii) comply with any such Environmental Approvals; and

[...]

6.08 General representations and warranties

The Borrower represents and warrants to the Bank that:

[...]

(I) it is in compliance with Article 6.05(b) and to the best of its knowledge and belief (having made due and careful enquiry) no Environmental Claim has been commenced or is threatened against it;

[...]

ARTICLE 8

Information and Visits

8.01 Information concerning the Project

The Borrower shall:

(a) deliver to the Bank:

[...]

- (ii) unless the Borrower (acting reasonably) has an overriding interest of confidentiality, any such information or further document concerning the financing, procurement, implementation, operation and environmental matters of or for the Project as the Bank may reasonably require within a reasonable time,

provided always that if such information or document is not delivered to the Bank on time, and the Borrower does not rectify the omission within a reasonable time set by the Bank in writing, the Bank may remedy the deficiency, to the extent feasible, by employing its own staff or a consultant or any other third party, at the Borrower's expense and the Borrower shall provide such persons with all reasonable assistance necessary for the purpose;

[...]

(c) promptly inform the Bank of

- (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower or any material Environmental Claim that is to its knowledge commenced, pending or threatened against it with regard to environmental or other material matters affecting the Project;

[...]

- (iv) any non-compliance by it with any applicable Environmental Law; and
- (v) any suspension, revocation or modification of any Environmental Approval, and set out the action to be taken with respect to such matters.

[...]

Technical Description and Reporting

A.1 TECHNICAL DESCRIPTION

Purpose, Location

The Borrower has stated that it is undertaking a project consisting of R&D in the field of fuel efficient and CO2 reducing innovative technologies during the period 2014-2017, and in particular, the optimisation of conventional internal combustion powertrains, including developments in petrol engines, diesel engines, transmissions, electronic controllers as well as their adaptation and rollout in different models. In addition to the fuel efficiency projects that form the predominant part, the Project also includes the Borrower's development of active safety technology. The R&D activities will take place at the Borrower's technical centre in Wolfsburg, Germany.

Description

[...]

Calendar

The Project covers the R&D activities during the period 2014-2017, and shall be completed by 30 June 2018.

A.2 REPORTING

[...]

2. Information on the end of works

The Borrower shall deliver to the Bank the following information on Project completion at the latest by the deadline indicated below.

Document / information	Date of delivery to the Bank
Project Completion Report, including: <i>A brief description of the technical characteristics of the project as completed, explaining the reasons for any significant change;</i> - [...]	<i>June 30th, 2018</i>
