

**UNITED STATES DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION**
1200 New Jersey Avenue SE
Washington, DC 20590

_____)
In re:)
Volvo Group NA)
AQ18-005)
_____)

CONSENT ORDER

This Consent Order is issued pursuant to the authority of the National Highway Traffic Safety Administration (“NHTSA”), an operating administration of the U.S. Department of Transportation. This Consent Order sets forth the requirements and performance obligations agreed to by Volvo Group North America, LLC, Mack Trucks, Inc., Nova Bus, Inc., Nova Bus (US), Inc., Prevost Car (US), Inc., VNA Holding, Inc., and Volvo Group Canada, Inc. (collectively “Volvo Group NA”), under the following terms and conditions.

I. NATURE OF THE ACTION

1. The National Traffic and Motor Vehicle Safety Act of 1966 as amended and recodified (the “Safety Act”), 49 U.S.C. Chapter 301, provides for regulation of motor vehicles and motor vehicle equipment by the Secretary of Transportation. The Secretary has delegated the authorities under the Safety Act to the NHTSA Administrator. 49 C.F.R. §§ 1.95(a), 501.4.

2. Under the Safety Act, a manufacturer of a motor vehicle that decides in good faith that a vehicle contains a defect related to motor vehicle safety or does not comply with an applicable Federal motor vehicle safety standard must notify NHTSA by submitting a Defect and Noncompliance Information Report (“DIR”). 49 U.S.C. § 30118(c); 49 C.F.R. § 573.6. A

manufacturer must submit the DIR not more than five working days after it knew or should have known of a safety-related defect or noncompliance in its vehicles. *See* 49 C.F.R. § 573.6(b).

3. A manufacturer must include in each DIR information including: identification of the vehicles potentially containing the safety defect or noncompliance, including a description of the manufacturer's basis for its determination of the recall population and a description of how the vehicles or items of equipment to be recalled differ from similar vehicles or items of equipment that the manufacturer has not included in the recall; the total number of vehicles potentially containing the safety defect or noncompliance; in the case of a defect, a chronology of all principal events that were the basis for the determination that the defect related to motor vehicle safety, including a summary of all warranty claims, field or service reports, and other information, with their dates of receipt; and a description of the manufacturer's program for remedying the safety defect or noncompliance. 49 C.F.R. § 573.6(c).

4. A manufacturer of motor vehicles is required to notify owners, purchasers, and dealers when the manufacturer determines that its vehicles contain a defect related to motor vehicle safety or do not comply with a Federal motor vehicle safety standard. 49 U.S.C. §§ 30118-30119. A notification to owners must be sent no later than 60 days from the date the manufacturer files its DIR with NHTSA. 49 U.S.C. § 30118(c); 49 C.F.R. § 577.7(a)(1).

5. At times relevant to this Consent Order, a manufacturer conducting a recall to remedy a safety defect or noncompliance was generally required to submit a report to NHTSA containing information about the manufacturer's progress in completing the recall "for each of six consecutive quarters beginning with the quarter in which the campaign was initiated." 49 C.F.R. § 573.7.

6. Under the Safety Act, a manufacturer is required to submit to NHTSA copies of all notices, bulletins, and other communications regarding any defect in its vehicles or items of equipment that are issued to more than one manufacturer, distributor, dealer, owner, or purchaser, regardless of whether the communication relates to a safety issue (“manufacturer communications”). 49 U.S.C. § 30166(f); 49 C.F.R. § 579.5(a). A copy of each manufacturer communication shall be submitted to NHTSA “not later than five working days after the end of the month in which it is issued.” 49 C.F.R. § 579.5(d).

7. Pursuant to the Transportation Recall Enhancement, Accountability, and Documentation (“TREAD”) Act, Pub. L. No. 106-414, 114 Stat. 1800 (2000), NHTSA established early warning reporting requirements for vehicle manufacturers. 49 U.S.C. § 30166(m); 49 C.F.R. Part 579, Subpart C.

8. Manufacturers of 100 or more buses and manufacturers of 5,000 or more medium-heavy vehicles are required to submit comprehensive quarterly early warning reports, including production numbers and information on incidents involving death or injury, the number of property damage claims, consumer complaints, warranty claims, field reports, and copies of field reports. 49 C.F.R. § 579.22.

9. A person who violates the Safety Act, or a regulation thereunder, is liable to the United States Government for a civil penalty. 49 U.S.C. § 30165(a); 49 C.F.R. § 578.6(a). A separate violation occurs for each motor vehicle and for each failure or refusal to allow or perform a required act. 49 U.S.C. § 30165(a)(1); 49 C.F.R. § 578.6(a)(1). A violation of 49 U.S.C. § 30166, or a regulation thereunder, is subject to civil penalties for each day of the violation. 49 U.S.C. § 30165(a)(3); 49 C.F.R. § 578.6(a)(3).

10. On October 20, 2018, NHTSA opened Audit Query (“AQ”) 18-005 to investigate Volvo Group NA’s compliance with Safety Act requirements, including recall timeliness and manufacturer communications and early warning reporting requirements.

11. Based on NHTSA’s inquiry, including information provided by Volvo Group NA, NHTSA asserted that Volvo Group NA violated multiple provisions of the Safety Act and regulations thereunder, including by untimely filing certain recalls, including inaccurate information in its DIRs, failing to comply with requirements for notifying owners of a recall, failing to submit certain quarterly recall reports, failing to submit certain manufacturer communications, and failing to comply with the early warning reporting requirements by not reporting certain death and injury incidents and not submitting certain field reports. To administratively resolve these issues, NHTSA and Volvo Group NA have mutually agreed to this Consent Order.

12. NHTSA issues this Consent Order pursuant to its authority under the Safety Act, 49 U.S.C. Chapter 301, to compromise the amount of civil penalties, 49 U.S.C. § 30165(a)(3), to inspect and investigate, 49 U.S.C. § 30166(b)(1), and to require any person to file reports or answers to specific questions, 49 U.S.C. § 30166(e).

It is AGREED by Volvo Group NA and ORDERED by NHTSA that the following provisions shall apply.

II. TERMS AND CONDITIONS OF CONSENT ORDER

Admission of Safety Act Violations

13. Volvo Group NA admits that it untimely filed certain recalls and failed to fully comply with other recall requirements, in violation of 49 U.S.C. §§ 30118-30119 and 49 C.F.R. Parts 573 and 577; failed to submit certain manufacturer communications, in violation of 49

U.S.C. § 30166(f) and 49 C.F.R. § 579.5; and failed to submit certain early warning reporting information, in violation of 49 U.S.C. § 30166(m) and 49 C.F.R. § 579.22.

Civil Penalty

14. In determining an appropriate civil penalty amount, NHTSA considered the civil penalty factors set forth in 49 U.S.C. § 30165(c). NHTSA has also taken into account Volvo Group NA’s cooperation with NHTSA. Subject to the terms in the remainder of this Paragraph, Volvo Group NA shall pay a civil penalty in the sum of one-hundred and thirty million dollars (\$130,000,000) (“Total Civil Penalty”).

- a. Of the Total Civil Penalty, the sum of sixty-five million dollars (\$65,000,000) (“Non-Deferred Amount”) shall be paid within sixty (60) calendar days of the Effective Date of this Consent Order in accordance with instructions provided by NHTSA.
- b. Of the Total Civil Penalty, the sum of forty-five million dollars (\$45,000,000) (“Abeyance Amount”) shall be deferred and held in abeyance by NHTSA pending Volvo Group NA’s satisfactory completion, as reasonably determined by NHTSA, of the requirements of this Consent Order. In the event that Volvo Group NA commits material violations of the Safety Act, regulations thereunder, or this Consent Order, during the term of this Consent Order, Volvo Group NA may be obligated to pay the Abeyance Amount or a portion thereof in accordance with Paragraph 16 below, and may be liable for additional civil penalties beyond the Abeyance Amount for those violations of the Safety Act and regulations thereunder.

- c. Of the Total Civil Penalty, twenty million dollars (\$20,000,000) (“Performance Obligation Amount”) shall be expended by Volvo Group NA during the term of this Consent Order to fulfill the Safety Data Analytics infrastructure obligations identified in Paragraph 24.

15. Pursuant to this agreement, Volvo Group NA admits that it owes a debt in the amount of one-hundred and thirty million dollars (\$130,000,000), as provided for in Paragraph 14, arising from activities under the jurisdiction of the U.S. Department of Transportation, due and owing to the United States under the Federal Claims Collection Act of 1966, as amended and codified at 31 U.S.C. § 3701, *et seq.* (hereinafter the “Claims Collection Act”).

16. If Volvo Group NA fails to make the payment of the Non-Deferred Amount as set forth in Paragraph 14(a) above, or any payments of the Abeyance Amount as may be imposed in accordance with this Consent Order, on or before their respective due dates, Volvo Group NA shall be in default of this Consent Order and the remaining balance of the Total Civil Penalty shall become due immediately. In that event: (i) Volvo Group NA agrees not to contest any collection action undertaken by NHTSA or the United States pursuant to applicable law, including the Claims Collection Act and the U.S. Department of Transportation’s regulations, 49 C.F.R. Part 89, either administratively or in any court, and (ii) Volvo Group NA affirmatively waives any and all defenses or rights that would otherwise be available to it in any such proceeding. In addition, in such a proceeding, Volvo Group NA shall pay the United States all reasonable costs of collection and enforcement, including attorneys’ fees and expenses. This provision does not preclude Volvo Group NA from contesting the imposition of any of the Abeyance Amount in accordance with Paragraph 20 below.

17. Upon receipt of the Non-Deferred Amount and upon expiration of the Consent Order (including any extensions), Volvo Group NA, including its current and former directors, officers, employees, agents, successors, and assigns will be deemed released from liability for civil penalties pursuant to 49 U.S.C. § 30165 in connection with any and all violations of the Safety Act or regulations thereunder relating to AQ18-005 from the inception of the Safety Act through the Effective Date of this Consent Order.

18. Nothing in this Consent Order discharges Volvo Group NA from any obligation to comply with the Safety Act or regulation thereunder.

19. This Consent Order does not release Volvo Group NA from liabilities, if any, that may be asserted by the United States, the U.S. Department of Transportation, NHTSA, or any governmental entity, other than the civil penalty liability under 49 U.S.C. § 30165 as described in Paragraphs 17 and 34.

Abeyance Amount

20. Should NHTSA reasonably believe that Volvo Group NA has materially violated the Safety Act, regulations thereunder, or the terms of this Consent Order, NHTSA shall provide written notice of the alleged violation(s) to Volvo Group NA, including a statement regarding the Abeyance Amount or the portion thereof that will be due if NHTSA makes a final determination in accordance with this Paragraph. Volvo Group NA will have thirty (30) calendar days, or such other time as mutually agreed by NHTSA and Volvo Group NA, from the date on which the issue was communicated to Volvo Group NA by NHTSA (“Evaluation Period”) to respond to the notice in writing. Volvo Group NA’s response will provide its views, along with any supporting information and documentation. Should there be a reasonable dispute, the parties agree to reasonably discuss the alleged violation. If no mutually agreeable resolution is reached after

discussion, and NHTSA subsequently and reasonably makes a final determination in writing that Volvo Group NA has materially violated the Safety Act, regulations thereunder, or the terms of this Consent Order, then Volvo Group NA will be liable for the Abeyance Amount or the portion thereof determined by NHTSA. The Abeyance Amount or portion thereof will be paid by Volvo Group NA in accordance with instructions from NHTSA within thirty (30) calendar days of NHTSA's determination.

21. Volvo Group NA shall only be liable for payment of the Abeyance Amount or portion thereof in accordance with the conditions in Paragraph 20. Volvo Group NA will be deemed released from liability for any portion of the Abeyance Amount remaining at the expiration of this Consent Order.

Performance Obligation Amount

22. This Consent Order requires Volvo Group NA to expend twenty million dollars (\$20,000,000) (i.e., the “Performance Obligation Amount”) in Safety Data Analytics infrastructure during the term of this Consent Order.

23. If Volvo Group NA has not expended the full Performance Obligation Amount no later than thirty-five (35) months after the Effective Date of this Consent Order, forty-seven (47) months if the Consent Order is extended for a fourth year, or fifty-nine (59) months if the Consent Order is extended for a fifth year, the unexpended portion of the Performance Obligation Amount shall become immediately due and owing to the U.S. Treasury, except that NHTSA, in its sole discretion, may count a reasonable amount of Volvo Group NA’s future costs in implementing the Safety Data Analytics infrastructure toward the required investment.

Safety Data Analytics Infrastructure

24. Volvo Group NA will invest in advanced data analytics capabilities to enhance its ability to detect and study emerging safety-related defect trends on its vehicles (the “Safety Data Analytics infrastructure”). This infrastructure will encompass, *inter alia*, assessing the potential of integrating machine learning and predictive analytics and sensing methodologies into Volvo Group NA’s existing processes to identify and investigate potential defect trends. After consultation with and consent from the Third-Party Auditor, if Volvo Group NA determines that the full Performance Obligation Amount specified in Paragraph 22 will not be needed to reasonably satisfy the Performance Obligation of this Paragraph, Volvo Group NA may request NHTSA’s permission to expend the estimated balance of the Performance Obligation Amount on one or more other safety improvement projects. NHTSA, in its sole discretion, may approve such a request without requiring a written amendment of this Consent Order under Paragraph 44.

25. Volvo Group NA shall meet with NHTSA, either virtually or in person, no later than one-hundred and eighty (180) calendar days after the Effective Date of this Consent Order to discuss an initial plan for the Safety Data Analytics infrastructure, along with an estimated timeline for its implementation and cost. After this initial plan meeting, Volvo Group NA shall notify NHTSA of any material changes to this information within thirty (30) days of learning of such material changes, and shall reasonably consider any feedback from NHTSA on its Safety Data Analytics infrastructure. Volvo Group NA shall update NHTSA on the progress of implementing the Safety Data Analytics infrastructure during its meetings with the agency pursuant to Paragraphs 36 and 37.

Third-Party Auditor

26. No later than thirty (30) calendar days after the Effective Date of this Consent Order Volvo Group NA shall retain, at its sole cost and expense, the independent, Third-Party Auditor with expertise in motor vehicle safety and the requirements of the Safety Act approved by NHTSA for the duration of the term of this Consent Order. Volvo Group NA shall pay the compensation and expenses of the Third-Party Auditor, including, after consultation with Volvo Group NA, any persons hired by the Third-Party Auditor as are reasonably necessary to carry out the duties of the Third-Party Auditor.

27. Volvo Group NA agrees to cooperate with the Third-Party Auditor to ensure that the Third-Party Auditor has access to the information that is reasonably necessary for it to carry out its duties under the Consent Order.

28. The Third-Party Auditor shall report to NHTSA directly, and shall be responsible for reviewing and assessing Volvo Group NA's compliance with this Consent Order, the Safety Act, and regulations thereunder, including but not limited to Volvo Group NA's Performance Obligation Amount expenditures, Volvo Group NA's recall decision-making and processes, and manufacturer communication and early warning information reporting compliance and processes, along with its processes for determining and certifying compliance with the Federal Motor Vehicle Safety Standards. In carrying out the responsibilities herein, the Third-Party Auditor may interview Volvo Group NA personnel, request to attend meetings, review non-privileged documents and other materials, and make other reasonable requests to Volvo Group NA to allow it to carry out its responsibilities. To the extent the Third-Party Auditor reasonably seeks access to information contained in privileged documents, Volvo Group NA will use best efforts to provide the Third-Party Auditor with access to information without compromising the

privilege. The Third-Party Auditor must notify NHTSA if not provided the access or assistance from Volvo Group NA it believes it needs to carry out its responsibilities under this Consent Order.

29. The Third-Party Auditor shall make recommendations to Volvo Group NA for improvements to its processes and procedures for complying the Safety Act and regulations thereunder.

30. No later than sixty (60) calendar days after the retention of the Third-Party Auditor, the Third-Party Auditor will submit to NHTSA a preliminary work plan and schedule for the completion of the review and assessments required by Paragraph 28 and recommendations required by Paragraph 29.

31. No later than one-hundred and eighty (180) calendar days after the retention of the Third-Party Auditor, the Third-Party Auditor will submit to NHTSA a final work plan and schedule for the completion of the review and assessments required by Paragraph 28 and recommendations required by Paragraph 29. The Third-Party Auditor shall periodically continue to assess Volvo Group NA's compliance with this Consent Order, the Safety Act, and regulations thereunder, and make such reports to NHTSA as required by Paragraph 35.

32. The Third-Party Auditor shall oversee the reasonable efforts of a consultant with Safety Act expertise retained by Volvo Group NA to, based on available information as of the date of this Consent Order:

- a. Evaluate all Volvo Group NA's' recalls filed during the period from July 31, 2013 through the Effective Date of this Consent Order, and recommend to Volvo Group NA any changes warranted to Volvo Group NA's DIRs;

- b. Identify and evaluate any manufacturer communication within the scope of 49 U.S.C. § 30166(f) and 49 C.F.R. § 579.5 issued by Volvo Group NA during the period from July 31, 2013 through the Effective Date of this Consent Order, a copy of which was required to have been, but was not, previously furnished to NHTSA by Volvo Group NA under 49 C.F.R. § 579.5, and recommend to Volvo Group NA the production of copies of any such previously unfurnished communications to NHTSA via the NHTSA manufacturer communications portal (<https://mcp.nhtsa.gov/>), in compliance with the instructions provided with that portal and 49 U.S.C. § 30166(f); and
- c. Identify and evaluate any information required within the scope of 49 C.F.R. § 579.22 related to vehicles manufactured by Volvo Group NA during the period from July 31, 2013 through the Effective Date of this Consent Order to recommend to Volvo Group NA any changes warranted to its early warning reporting.

33. Not later than nine (9) months after the Effective Date of this Consent Order, Volvo Group NA shall submit a certification to NHTSA stating that the consultant has provided it the recommendations under Paragraph 32 above and stating whether Volvo Group NA has made the changes and additional submissions recommended or affirmatively describing any such recommended changes or additional submissions Volvo Group NA has not made. This certification is considered a required report under 49 U.S.C. § 30166(e).

34. Volvo Group NA will be deemed released from liability for civil penalties pursuant to 49 U.S.C. § 30165, including but not limited to the Abeyance Amount, in connection with any violations of the Safety Act or regulations thereunder associated with changes and

additional submissions made pursuant to Paragraphs 32 through 33 above, provided that such changes and additional submissions are made by the date of the certification required by Paragraph 33.

35. The Third-Party Auditor shall provide reports to NHTSA detailing its findings regarding Volvo Group NA's compliance with the terms of this Consent Order, the Safety Act, and regulations thereunder, including but not limited to Volvo Group NA's Performance Obligation Amount expenditures, Volvo Group NA's recall decision-making and processes, and manufacturer communication and early warning reporting compliance and processes, along with its processes for determining and certifying compliance with Federal Motor Vehicle Safety Standards. The reports will also provide the Third-Party Auditor's recommendations and an assessment of the extent to which Volvo Group NA has accepted or adopted each of the recommendations. No less than seven (7) calendar days prior to providing any such report to NHTSA, the Third-Party Auditor shall provide a draft of the report to Volvo Group NA, and Volvo Group NA shall have the opportunity to provide technical corrections and comments on the draft to the Third-Party Auditor prior to submission to NHTSA. The Third-Party Auditor may, based on independent judgment, accept or reject such technical corrections or comments from Volvo Group NA. These reports will be provided to NHTSA and Volvo Group NA on a quarterly basis (every three months) with the first report due three months after the date of submission of the final work plan pursuant to Paragraph 31. If this Consent Order is extended for a fourth year, the submission of these reports to NHTSA will continue on a quarterly basis (every three months) until the end of the Consent Order term. If this Consent Order is extended for a fifth year, the submission of these reports to NHTSA will continue on a quarterly basis (every three months) until the end of the Consent Order term.

36. On a recurring quarterly basis, beginning three (3) months after the retention of the Third-Party Auditor, representatives of Volvo Group NA, including its legal counsel, shall meet with the Third-Party Auditor and NHTSA, either virtually or in person, to discuss Volvo Group NA's performance under this Consent Order, compliance with the Safety Act and regulations thereunder, and Volvo Group NA's acceptance and adoption of the Third-Party Auditor's recommendations.

37. Representatives of Volvo Group NA's Safety Office shall meet with NHTSA, either virtually or in person, on at least a quarterly basis starting after the execution of this Consent Order and continuing throughout the term of this Consent Order. Such meetings shall include a discussion of Safety Data Analytics infrastructure (as referenced in Paragraphs 24 through 25), as well as any open issues, recent technical service bulletins (TSBs), complaints submitted to NHTSA (Vehicle Owner Questionnaires (VOQs)), Volvo Group NA's recall decision-making (including decisions not to recall) or other issues of interest to NHTSA's Office of Enforcement. If one or more quarterly meetings fails to occur due to circumstances beyond Volvo Group NA's control, the meeting omission shall not be deemed a violation of this Consent Order by Volvo Group NA.

38. In the final quarterly report of the initial term of this Consent Order pursuant to Paragraph 35, the Third-Party Auditor shall address the extent to which Volvo Group NA accepted and adopted all of the Third-Party Auditor's recommendations. Within fourteen (14) days of that quarterly report, in the event the Third-Party Auditor identifies recommendations that Volvo Group NA did not accept and adopt, Volvo Group NA shall submit a report to NHTSA detailing why it has not accepted and adopted each such recommendation. If this Consent Order is extended for a fourth or fifth year, the Third-Party Auditor shall address the

extent to which Volvo Group NA accepted and adopted all of the Third-Party Auditor's recommendations within the final quarterly reports of those years. Within fourteen (14) days of those quarterly reports, to the extent they occur, in the event the Third-Party Auditor identifies recommendations that Volvo Group NA did not accept and adopt, Volvo Group NA shall submit a report to NHTSA detailing why it has not accepted and adopted each such recommendation.

39. Nothing in the reporting or meeting structure established herein is intended to restrict the ability for the Third-Party Auditor to otherwise raise issues to NHTSA, at any time during the Consent Order, as the Third-Party Auditor reasonably deems warranted. Likewise, nothing herein is intended to limit NHTSA's ability to contact the Third-Party Auditor or Volvo Group NA or request additional information from the Third-Party Auditor or Volvo Group NA about any matter within the scope of this Consent Order outside of the reporting structure specified herein, as NHTSA reasonably deems warranted. Any failure of the Third-Party Auditor to meet the specifications of this Consent Order shall not be deemed a violation of the Consent Order by Volvo Group NA.

Written Procedures and Employee Training

40. Volvo Group NA shall develop written procedures and employee training materials explaining requirements for compliance with the Safety Act, the regulations thereunder, and this Consent Order. Such training shall include, but will not be limited to, the legal requirements related to this Consent Order.

41. Volvo Group NA shall submit the written procedures and training materials required under Paragraph 40, together with a proposed training schedule that includes both intervals and required attendees (identified by employee position and/or responsibilities) at training sessions to NHTSA and Volvo Group NA's Third-Party Auditor within sixty (60)

calendar days after the retention of the Third-Party Auditor. The training schedule shall include mandatory annual training for employees with responsibility for vehicle safety or NHTSA compliance and mandatory on-boarding training within a reasonable time-period for new employees with responsibility for vehicle safety or NHTSA compliance. Volvo Group NA shall incorporate any reasonable feedback provided by NHTSA and the Third-Party Auditor to the written procedures and training materials and adopt the written policies as mandatory company policies (applicable to all Volvo Group NA internal divisions, businesses, and subsidiaries) within one hundred-and-eighty (180) after the retention of the Third-Party Auditor. If during the term of this Consent Order, the Third-Party Auditor's recommendations pursuant to Paragraph 29 require subsequent updates to such written procedures and training materials, Volvo Group NA and the Third-Party Auditor shall discuss those proposed changes with NHTSA through the quarterly meetings described in Paragraph 36 above before making those revisions.

Public Availability of Recall Information

42. No later than twelve (12) months after the Effective Date of this Consent Order, Volvo Group NA represents that it will make recall information applicable to the vehicles its manufactured available to the public on the Internet in a manner consistent with 49 C.F.R. § 573.15(b). Volvo Group NA will make the information available in a format that is searchable by vehicle identification number (VIN), that preserves consumer privacy, and that includes information about each recall that has not been completed for each vehicle.

III. TERM OF THE CONSENT ORDER

43. Unless otherwise specified, the term of this Consent Order is three (3) years from the Effective Date; provided, however, that NHTSA may extend the term of this Consent Order for two (2) additional one-year terms if NHTSA reasonably finds that an extension is warranted.

IV. AMENDMENT

44. This Consent Order cannot be modified, amended, or waived except by an instrument in writing signed by all parties, and no provision may be modified, amended, or waived other than by a writing setting forth such modification, amendment, or waiver.

45. The parties may agree, without need for an amendment as specified in Paragraph 44, to reasonable changes to specified report or meeting dates, schedules, or meeting cadences.

V. MISCELLANEOUS

46. Volvo Group NA shall use its best efforts to take all actions and to do all things necessary to comply with this Consent Order, and to cooperate with NHTSA in carrying out the requirements of this Consent Order.

47. Nothing in this Consent Order shall be interpreted or construed in a manner inconsistent with, or contravening, any federal law, rule, or regulation at the time of the execution of this Consent Order, or as amended thereafter.

48. None of the specific reporting obligations described in this Consent Order relieve Volvo Group NA of its obligation to submit any other reports required by the Safety Act or its corresponding regulations, or otherwise comply with existing laws and regulations.

49. The parties shall each bear their own respective attorneys' fees, costs, and expenses, except as provided in Paragraph 16 above.

50. This Consent Order shall be effective upon its full execution by all individuals and parties listed as signatories below ("Effective Date"). Any breach of the obligations under this Consent Order, may, at NHTSA's option, be immediately enforceable in any United States District Court. Volvo Group NA agrees that it will not raise any objection as to venue.

51. In the event of Volvo Group NA's breach of, or failure to perform, any term of this Consent Order, NHTSA reserves the right to pursue any and all appropriate administrative and/or judicial remedies, including, but not limited to, assessing interest for untimely civil penalty payments and/or commencing litigation to enforce this Consent Order in any United States District Court.

52. This Consent Order was negotiated and prepared by both NHTSA and Volvo Group NA. If any of the provisions in this Consent Order require a court's interpretation, no ambiguity shall be construed against the drafter.

53. The parties who are the signatories to this Consent Order have the legal authority to enter into this Consent Order, and each party has authorized its undersigned to execute this Consent Order on its behalf.

54. In any legal action between the parties concerning the enforceability of this Consent Order, Volvo Group NA expressly waives any and all defenses and agrees not to plead, argue, or otherwise raise any defenses other than (i) that the payment of the Non-Deferred Amount set forth in Paragraph 14(a) was made, if applicable, and/or (ii) that Volvo Group NA has substantially complied with the terms of this Consent Order.

55. This Consent Order shall be binding upon, and inure to the benefit of, Volvo Group NA and its current and former directors, officers, employees, agents, parents, subsidiaries, affiliates, successors, and assigns. Volvo Group NA agrees to waive any and all defenses that may exist or arise in connection with any person or entity succeeding to the interests or obligations herein, including as a result of any changes to the corporate structure or relationships among or between Volvo Group NA and any of its parents, subsidiaries, or affiliates.

56. Should any condition or other provision contained herein be held invalid, void, or illegal by any court of competent jurisdiction, it shall be deemed severable from the remainder of this Consent Order and shall in no way affect, impair, or invalidate any other provision of this Consent Order.

57. This Consent Order shall not be construed to create rights in, or grant any cause of action to, any third party not a party to this Consent Order.

58. This Consent Order may be executed in counterparts, each of which shall be considered effective as an original signature.

59. This Consent Order is a fully integrated agreement and shall in all respects be interpreted, enforced, and governed under the federal law of the United States. This Consent Order, which is fully incorporated hereto by reference, sets forth the entire agreement between the parties with regard to the subject matter hereof. There are no promises, agreements, or conditions, express or implied, other than those set forth in this Consent Order.

[SIGNATURE PAGES FOLLOW]

APPROVED AND SO ORDERED:

NATIONAL HIGHWAY TRAFFIC SAFETY
ADMINISTRATION,
U.S. DEPARTMENT OF TRANSPORTATION

Dated: January 27, 2023

By: _____

Ann Carlson
Acting Administrator

Dated: January 27, 2023

By: _____

John Donaldson
Acting Chief Counsel

Dated: January 27, 2023

By: _____

Kerry Kolodziej
Assistant Chief Counsel
for Litigation and Enforcement

Dated: January 27, 2023

By: _____

Ashley Simpson
Senior Trial Attorney

Dated: January 27, 2023

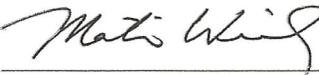
By: _____

Alexandra Cohen
Trial Attorney

AGREED:

VOLVO GROUP NA

Dated: January 26, 2023

By: 

Martin Weissburg
Executive Vice President
Volvo Group NA

Dated: January 27, 2023

By: 

Erika Z. Jones
Mayer Brown LLP
Counsel for Volvo Group NA