

## Contractual Terms for Customs and Foreign Trade Law

### Incoterms

Unless otherwise agreed, the English-language version of Incoterms®2020-DPU shall apply to deliveries of goods. The named place within the meaning of Incoterms®2020-DPU is the agreed delivery address.

### AEO

The Contractor undertakes to produce, store, transport, deliver goods that are taken over by the Customer for the Customer at secure operating sites and at safe transshipment locations and to protect them from unauthorized access during production, storage, treatment or processing, loading and transport. The personnel involved in the production, storage, treatment or processing, loading, transport and reception of such goods must be reliable. Business partners acting on behalf of the contractor must be informed that they must also take measures to secure the above-mentioned supply chain. Upon request, either a security declaration must be submitted or the AEO certificate number must be provided.

Contact: [exportcontrol@cariad.technology](mailto:exportcontrol@cariad.technology)

### Preferential product

1. In principle, suppliers are obliged to supply preferential goods. If a supplier does not deliver preferential goods, the supplier must expressly state this in the offer.
2. Where a supplier supplies preferential goods, the following shall apply:

### Contractors based outside the European Union

*Contractors based outside the European Union* must, insofar as the country from which the goods are shipped has concluded a free trade agreement with the country of destination of the delivery, state in the offer for each part number whether the delivered goods are originating goods within the meaning of the respective agreement or, in the case of deliveries from Turkey, over-the-counter goods.

Proof of Preferential Origin as well as Proof of non-Preferential Origin (country of origin in which the last essential working or processing took place) must be provided accordingly by the contractor.

If the aforementioned evidence is not issued even though the contractor has confirmed this, the client is entitled to charge the contractor for the additional costs resulting from the correspondingly higher import duties.

## Contractors based in the European Union

Contractors *based in the European Union* are obliged to deliver to the client only preferential EU goods that meet the requirements of the free trade agreements. This also applies to contractual relationships between the client and Tier 2 suppliers.

In this case, the long-term supplier's declaration must be issued to the Tier 1 supplier. In the offer, the contractor must make a binding statement. The contractor is obliged to provide the customer and its subsidiaries with the preferential (origin according to the valid free trade/preferential agreements of the EU with third countries), non-preferential (country of origin in which the last essential processing or processing took place) and, optionally, the American Prove AALA origin on the basis of a long-term supplier's declaration.

For all goods with a minimum value of EUR 50 or more, the non-preferential proportion of the materials used in the manufacture of the goods must be proven at the request of the customer by means of a long-term supplier's declaration for goods without origin. Changes during the year must be communicated to the client immediately in writing. The declaration shall be valid for at least one calendar year by the contractor and renewed annually without request. The maximum validity period of 2 years permitted under Regulation (EU) 2015/2447 is also permissible and can be applied at the time of issue.

### Penalty:

1. If the contractor does not comply with the aforementioned obligations or does not do so in a timely manner, the client is entitled to charge a contractual penalty in the amount of € 150.00 per long-term supplier's declaration that has not been issued. The same applies in the event that differences are found in the indication of the country of origin on the component, delivery documents and the proof of origin provided, resulting in disruptions to internal processes or problems with the import/export of goods. The contractual penalty will be levied after the expiry of the period sent with the last reminder. In total, the aforementioned contractual penalty is limited to a maximum of 5% of the order amount (gross).
2. The contractual penalty may be demanded in addition to performance. Claims for damages in lieu of and in addition to the service as well as the right to withdraw from the contract remain unaffected. However, the contractual penalty will be offset against a claim for damages in addition to the performance.
3. In the event of the basic fulfillment of the contractor's delivery obligations, the client may reserve the right to assert the contractual penalty until the final payment is due. The contractual penalty does not release the contractor from the general obligation to submit a long-term supplier's declaration. Upon request, the contractor must provide proof of the origin of the goods by means of a customs-certified information sheet (INF4). The Contractor shall be liable for any damages incurred by the Client as a result of incomplete and/or incorrect information in the long-term supplier's declaration.

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## Export Control and Foreign Trade Law

1. The Contracting Parties shall ensure compliance with applicable foreign trade and export control regulations.
2. The supplier/contractor is obliged to provide CARIAD/the client with information on the legal characteristics of the goods to be delivered (hardware, software, technology). These are, in particular, the export control number according to the regulations of the U.S.A. (if applicable), the People's Republic of China (if applicable), the United Kingdom of Great Britain and Wales (if applicable), the EU and/or another national regulation as well as the statistical commodity tariff number/customs tariff number (HS code) according to the exporting country.  
Corresponding information must be made available to CARIAD upon receipt of an offer.
3. In the case of the transfer of hardware, software or technology (goods) to the other Contracting Party, the transferring Contracting Party is obliged to mark the goods to be transferred and, in addition, the other Contracting Party provides the export control classification (in particular the statistical goods tariff number/customs tariff number (HS code) of the exporting State; Export control number, country of origin) as follows:
  - CARIAD SE, FU-2, Export Control & Customs, 85053 Ingolstadt, Germany, [exportcontrol@cariad.technology](mailto:exportcontrol@cariad.technology)
4. If goods have been delivered using a licence exception, the supplier shall inform CARIAD immediately. Furthermore, the supplier shall inform CARIAD immediately of the content of the export licence insofar as this has an impact (e.g. restrictions on (re-)exports on CARIAD).
5. The supplier is obliged to inform CARIAD immediately of any changes to the information provided, in particular changes regarding the export control classification and licensing requirements of the goods.
6. A violation of the provisions of foreign trade law (in particular sanctions of the U.S.A. and/or EU) constitutes an important reason which entitles CARIAD to extraordinary termination.
7. Prohibition of reexport or overhanding to/for Russia & Belarus: Insofar as goods and technologies are transferred by CARIAD to the supplier, the following shall apply:
  - (1) The supplier shall not provide, export or reexport, directly or indirectly, to the Russian Federation and/or Belarus or for use in the Russian Federation and/or Belarus any goods and technologies supplied under or in connection with this contract.

- (2) The supplier shall undertake its best efforts to ensure that the purpose of paragraph (1) is not frustrated by any third parties further down the commercial chain, including by possible resellers and subcontractors.
- (3) Any violation of paragraphs (1) or (2) shall constitute a material breach of an essential element of the contractual supply relationship, and CARIAD shall be entitled to seek appropriate remedies, including, but not limited to: (i) termination of this contract; and (ii) CARIAD unilateral right to withdraw the performance of its contractual obligations under or in connection with this contract in whole or in part.
- (4) The supplier shall immediately inform CARIAD about any problems in applying paragraphs (1) or (2), including any relevant activities by third parties that could frustrate the purpose of paragraph (1). The supplier shall make available to CARIAD information concerning compliance with the obligations under paragraph (1) and (2) within two weeks of the simple request of such information.

In order to fulfil its obligations in the case of the supply of controlled goods, the contractor shall use the form set out in Appendix I, „Statement on the Export Control Classification of an Item (Hardware, Software, Technology)“. In order to fulfil the client's obligations under export control and foreign trade law, the contractor shall provide further information upon request (obligation to cooperate).

The aforementioned obligations shall continue to exist beyond the end of the business relationship.

This clause is valid subject to the proviso that it does not constitute a violation or conflict with Art. 5 of Council Regulation (EC) No. 2271/96 or §7 of the Foreign Trade and Payments Ordinance (AWV) or a similar applicable anti-boycott regulation.

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