Customs and Foreign Trade Law: general terms and conditions for Automobili Lamborghini S.p.A.

Date published: September 2024

The following document regulates the process for handling customs and foreign trade law matters and defines the contractual duties of the Supplier toward Automobili Lamborghini S.p.A. in the field of customs and foreign trade law regarding the sale or delivery of its products to Automobili Lamborghini S.p.A. The Supplier should read this information carefully and, if necessary, make preparatory arrangements with the responsible customs Authority. The Supplier is obliged to establish all legally permissible procedures to facilitate the customs procedure throughout the supply chain.

Product details (Customs and Export Control information)

The Supplier is obliged to prove some relevant product details regarding customs and Export Control matter. The customs tariff of the goods (HS code), net weight, the Country of Origin (Made In), Dual Use status and preferential origin status (document issued by the Supplier that allows exemption of customs duty for countries that have an agreement with the EU) are mandatory information. The Supplier has two ways to guarantee this information to Automobili Lamborghini S.p.A.: to auto log to the Tesi Portal (link received by email from Automobili Lamborghini S.p.A. when a new product is coded) where it can insert the requested details, or with the Export Control Form, a form to fill and send to customs@lamborghini.com. If the product has the preferential origin status the Supplier is obliged to also prove the preferential origin with the Long Term Supplier's Declaration (LTSD) by February of every year. The declaration must be renewed annually by the Supplier. If the Supplier does not fulfil the obligations or does not fulfil them on time, Automobili Lamborghini S.p.A. reserves the right to withhold as liquidated damages the amount of the 1,5 percent of the annual contractual value for the involved component, with the right to ask for further damages caused as direct consequences of supplier's unfulfillment. The costs for issuing the Supplier's declaration shall be borne by the Supplier.

Deliveries from non-EU countries

Deliveries with DDP incoterms are not accepted in import from Extra UE countries. If the EU grants an exemption from customs duties or a preferential duty rate based on a free trade or preferential agreement with the Supplier country, the Supplier is obliged to make the documents (EUR.1/EUR MED/A.TR movement certificates, declaration of origin on the invoice, form A certificate of origin) that are required to avail of the exemption from customs duties or the preferential duty rate available to Automobili Lamborghini S.p.A. together with the goods shipment. If the Supplier doesn't arrange the necessary document or declaration or doesn't arrange them on time, Automobili Lamborghini S.p.A. reserves the right to withhold the percent of duty paid from the invoice price until the necessary document or declaration has been issued. In case of shipment with TI document, the Supplier is responsible about the correct filling of it and about the correction in case of mistakes.

Export Control

The Supplier must specify on the Export Control Form if any national restriction or export condition is in place for the product/software/technology supplied. The Supplier must specify, always in the same Form, if some country of destination is not eligible for the export of the product/software/technology supplied. The Supplier must specify if the export of the product/software/technology in the accordance is forbidden towards some specific entities or natural persons. The Supplier is obliged to inform Automobili Lamborghini S.p.A. about existing licensing requirements in accordance with US re(export) law (including so-called EAR99 goods). The Supplier must communicate the relevant export list category to the customer (e.g., ECCN - Export Control Classification Number for US goods and other national codes) and must indicate any simplified procedures that exist.
In addiction the Supplier must specify if the product/software/technology is inserted in the Dual Use list nominated in the Reg. UE 2021/821 (and subsequent amendments or updates) and in case must communicate the relative code. The Supplier must communicate if the product / software/ technology has an ITAR/EAR code. The information related to Export Control law, that is required in accordance with this section, must be clearly documented (contracts of sale, in-voices, delivery notes, dispatch notes) and must also be communicated electronically in advance to export.control@lamborghini.com . If the goods are US goods as defined by US law (manufacture, storage in the USA; production with the use of US technology and/or US parts), information on the proportion of installed US components for which a license is required must also be passed on. The Supplier must provide with the complete documentation for the de minimis calculation. The measures and codifications mentioned above apply accordingly to technologies, software and services that relate to controlled goods. The Supplier must provide with all the documents required for a license application and nominate a contact person who is responsible for queries. The obligations continue to exist beyond the end of the business relationship. Automobili Lamborghini S.p.A. reserves the right to ask for damages caused as direct consequences of Supplier's unfulfillment.

Russian Federation crisis- Import ban on steel products

The Reg. UE 2023/1214 art. 3 octies communicates the ban to import steel products originating in Russia or containing metals of Russian origin. The Regulation has an impact on iron, wires, and iron bars, rolled products, tubes and tube fittings, constructions and parts of constructions, tanks or vessels, anchors, chains, nails, screws and bolts, stoves and radiators, articles for domestic use or hygiene of cast iron, iron or steel, any work of iron or steel.

For this reason, the Supplier of mentioned products must provide clear information regarding the origin of metal before the contract signature phase and no later than the first shipment of the goods. Automobili Lamborghini S.p.A. reserves the right to claim compensation for damages caused as a direct consequence of the Supplier's non-compliance.

Prohibition of reexport or overhanding to/for Russian Federation

Insofar as goods, technologies and software are transferred by Automobili Lamborghini S.p.A. to the Supplier, the following shall apply:
(1) The Supplier shall not provide, export or reexport, directly or indirectly, to the Russian Federation or for use in the Russian Federation any goods, technologies and software 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 Automobili Lamborghini S.p.A. shall be entitled to seek appropriate remedies, including, but not limited to:
(i) termination of this contract; and (ii) Automobili Lamborghini S.p.A.'s 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 Automobili Lamborghini S.p.A. 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 Automobili Lamborghini S.p.A. information concerning compliance with the obligations under paragraph (1) and (2) within two weeks of the simple request of such information.

CBAM Regulation (Carbon Tax)

The Reg. UE 2023/956 ("CBAM Regulation") establishes a carbon border adjustment mechanism to make the EU climate neutral by 2050. This regulation provides for the imposition of a carbon tax on applies to goods imported into the EU from non-EU countries, with the exception of excluded Switzerland, Norway, Iceland and Liechtenstein. The impacted product categories are: other kaolinic clays, Portland cement, aluminous cement and other hydraulic cements; electrical energy; nitric acid, sulphonitric acids, ammonia, anhydrous or in aqueous solution, nitrates of potassium, mineral or chemical fertilizers, nitrogenous, mineral or chemical fertilizers containing two or three of the fertilizing elements nitrogen, phosphorus and potassium, other fertilizers; ferro-alloys, ferrous waste and scrap, remelting scrap ingots and steel, iron ores and concentrates, other than roasted iron pyrites, sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements welded angles, shapes and sections, of iron or steel; railway or tramway track construction material of iron or steel, rails, check-rails and rack rails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fish- plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialized for jointing or fixing rails; tubes,

pipes and hollow profiles, of cast iron, tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel, other tubes, pipes and hollow profiles , of iron or steel, tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel; structures (excluding prefabricated buildings of heading 9406) and parts of structures; reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment; tanks, casks, drums, cans, boxes and similar containers, for any material (other than compressed or liquefied gas), of iron or steel, of a capacity not exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment; containers for compressed or liquefied gas, of iron or steel; screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers (including spring washers) and similar articles, of iron or steel; other articles of iron or steel; unwrought aluminum, aluminum powders and flakes, aluminum bars, rods and profiles, aluminum wire, aluminum plates, sheets and strip, aluminum foil (whether or not printed or backed with paper, paper- board, plastics or similar backing materials) of a thickness (excluding any backing), aluminum tubes and pipes, aluminum tube or pipe fittings (for example, couplings, elbows, sleeves), aluminum structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, balustrades, pillars and columns); aluminum plates, rods, profiles, tubes and the like, prepared for use in structures, aluminum reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of a capacity exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment, aluminum casks, drums, cans, boxes and similar containers (including rigid or collapsible tubular containers), for any material (other than compressed or liquefied gas), of a capacity not exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment, aluminum containers for compressed or liquefied gas, stranded wire, cables, plaited bands and the like, of aluminum, not electrically insulated; other articles of aluminum; hydrogen.
The *carbon tax* is applied based on carbon emissions associated with the production of imported goods and will be calculated in accordance with the rules set out in the CBAM Regulations. Products subject to the CBMA Regulations, where subject to the carbon tax, must be declared and certified in accordance with the provisions of the CBMA Regulations
The Supplier of mentioned product must provide, before first goods shipment, to Automobili Lamborghini S.p.A. a technical excel file (please contact customs@lamborghini.com for the related template) with all the necessary information to manage the payment of the carbon tax during the import formalities. Automobili Lamborghini S.p.A. reserves the right to claim compensation for damages caused as a direct consequence of the Supplier's non-compliance.

EUDR (European Deforestation-free products Regulation)

The Reg. UE 2023/1115 (and its subsequent amendments and/or integrations) ("EUDR Regulation"), imposes the obligation to produce a Due Diligence Declaration attesting that products have not been manufactured using materials from illegally logged land or violation of forest protection, environmental and sustainability regulations in force in the country of origin.
The Supplier must guarantee strict compliance with the mentioned Regulation. With respect to products impacted with the EUDR Regulation. in question, the Supplier shall produce all necessary documentation to enable Automobili Lamborghini S.p.A to be compliant. Automobili Lamborghini S.p.A. reserves the right to claim compensation for damages caused as a direct consequence of Supplier's non- compliance of mentioned EU Regulation, as modified and updated.

AEO certification

The Supplier undertakes in respect of goods that are produced, stored, transported, or delivered for Automobili Lamborghini S.p.A. or accepted by Automobili Lamborghini S.p.A., to produce, store, handle, process, and load these at secure premises and at secure transfer points, as well as to protect them from unauthorized access during the production, storage, handling, processing, loading and transportation. The staff employed for the production, storage, handling, processing, loading, transportation, and transfer of such goods must be reliable. Business partners that act on behalf of the supplier must be instructed that they too must undertake measures to secure the supply chain mentioned above. The Supplier shall provide a copy of the AEO (Authorised Economic Operator) certificate or an equivalent replacement declaration, attesting to compliance with international standards for security and customs compliance, It facilitates customs procedures and ensures efficient and secure supply chain management.

For further queries please contact:
export.control@lamborghini.com
customs@lamborghini.com