

## **Contractual Terms for Customs and Foreign Trade Law**

15.03.2024, K-FS-3

### **Certificates of preferential origin**

*Contractors based outside the European Union*, insofar as the country from which the goods are sent has a free trade agreement with the destination country, must bindingly state for each part number in the offer whether the delivered goods are originating goods within the meaning of that agreement, or goods released for free circulation in the case of deliveries from Turkey. The contractor must provide the certificate of preferential origin and the certificate of non-preferential origin (country of origin where the last significant processing took place). If the contractor does not issue the above certificates despite having confirmed this, the customer is entitled to charge the additional costs arising from higher import duties to you.

*Contractors based in the European Union* are obliged to only supply the customer with preferential EU goods which fulfil the conditions of the free trade agreement. This also applies to contractual relationships between the customer and Tier 2 suppliers. The long-term supplier declaration must be issued to the Tier 1 supplier in this case. The contractor must make a binding statement on this in your offer. By the first delivery at the latest, the contractor is obliged to certify to the customer and its subsidiaries the preferential origin (origin according to the applicable FTA) and the non-preferential origin (country of origin where the last significant processing took place), for the whole range of goods to be supplied, along with the VW/AUDI part number and the supplier number, by means of a long-term supplier declaration. For all goods with a minimum value of at least €50.00, the non-preferential portion of the initial material used for manufacturing the goods must be certified at the request of the customer by means of a long-term supplier declaration for goods without origin. Any subsequent changes must be reported in writing to the customer immediately. The declaration is valid for at least a calendar year and must be renewed by the contractor annually without reminder. The maximum validity period of 2 years allowed under regulation (EU) 2015/2447 is also permissible and can be applied on issue.

Contractual penalty:

1. If the contractor fails to fulfil the above obligations, or is late in doing so, the customer is entitled to impose a contractual penalty of €150.00 for each long-term supplier declaration not issued. The same applies if discrepancies are found between the country of origin stated on the component, on the shipping documents or the supplied certificate of origin, and this causes disruption to internal processes or problems in the import/export of goods. The contractual penalty is imposed when the deadline set in the last reminder expires. This contractual penalty is limited to no more than 5% of the (gross) order value.
2. The contractual penalty can be demanded in addition to performance. Claims for damages instead of and in addition to performance, as well as the right of withdrawal from the contract, remain unaffected. However, the contractual penalty is set off against a claim for damages in addition to performance.
3. If the contractor fulfils its basic supply obligations, the customer can reserve the right to impose the contractual penalty until the final payment becomes due.

The contractual penalty does not release the contractor from the general obligation to submit a long-term supplier declaration. On request, the contractor must certify the information on the origin of the goods by means of an information document certified by the customs authorities (INF4). The contractor is liable for all damage suffered by the customer as a result of incomplete and/or incorrect information in the long-term supplier declaration.

Contact: [supplier.declaration@volkswagen.de](mailto:supplier.declaration@volkswagen.de)

## **Export Control and Foreign Trade Law**

1. Each Party is responsible to comply with applicable national and international export control laws and regulations, including those related to foreign trade, embargoes and other sanctions ("Export Control Laws") when, by any means, directly or indirectly transferring, including e.g. exporting, reexporting or providing in-country and intra-EU, ("Transferring") goods, software or technology ("Items") or when providing technical assistance to the other Party.
2. The Contractor affirms not to be listed on any sanctions lists published by the United Nations, the European Union or any of its member states, the U.S. Bureau of Industry and Security (BIS), the U.S. Office of Foreign Assets Controls (OFAC) and the United Kingdom. Furthermore, the Contractor affirms, to the best of its knowledge, neither to be directly nor to be indirectly under the ownership (50% or more) or control of individuals, companies or organizations listed on any of the aforementioned sanctions lists. The Contractor will inform the Customer immediately of any change affecting this affirmation.
3. If the Contractor Transfers Items under this contract to the Customer which are controlled according to applicable Export Control Laws the Contractor will provide without request the respective export control classification for each Item at the time of the first Transfer of the respective Item to the Customer. This obligation also applies to Items which are subject to the U.S. Export Administration Regulations (EAR99). Such information shall be entered into the form "Statement about the Export Control Classification" in the annex and shall be sent to [exportkontrolle@volkswagen.de](mailto:exportkontrolle@volkswagen.de). The Contractor will inform the Customer for subsequent Transfers only in case of changes. If the Customer requires further information for the fulfillment of legal obligations the Contractor will provide such information upon request.

If the Contractor does not provide the respective export control classification this equals a declaration that the Items Transferred are neither controlled according to applicable Export Control Laws nor subject to the U.S. Export Administration Regulations (EAR99).

4. Insofar as Items are Transferred by the Customer to the Contractor under this contract, the following shall apply:
  - (1) The Contractor shall not provide, export or re-export, directly or indirectly, to the Russian Federation or for use in the Russian Federation any Items provided under or in connection with this contract.
  - (2) The Contractor 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 sub suppliers.
  - (3) Any violation of paragraphs (1) or (2) shall constitute a material breach of an essential element of this contract, and the Customer shall be entitled to seek appropriate remedies, including, but not limited to:
    - (i) termination of this contract;
    - (ii) Customer's unilateral right to claim any costs arising from (i) or other charges related to the violation of paragraphs (1) or (2) against the Contractor in whole or in part.
  - (4) The Contractor shall immediately inform the Customer 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 Contractor shall make available to the Customer information concerning compliance with the obligations under paragraph (1) and (2) within two weeks of the simple request of such information.
5. This section "Export Controls and Foreign Trade Law" is only valid under the condition that it does not result in a violation of or conflict with applicable anti-boycott statutes.

Contact: [exportkontrolle@volkswagen.de](mailto:exportkontrolle@volkswagen.de)

### **Import sanctions**

The Contractor undertakes to independently comply with all customs and foreign trade regulations (including sanctions and import bans) for all deliveries into or within the European Union and to provide the Client with the necessary legally prescribed documents of evidence before the delivery of goods.

In the event of missing or incorrect documents of evidence, the import of the concerned parts will not be possible. In this case, we will hold the Contractor liable for the financial consequences.

In particular, regarding to Article 3g(1)(d) Council Regulation (EU) No 833/2014, in the currently valid version, the Contractor confirms that all goods delivered and sold to the Volkswagen Group from 30th September 2023 onwards are not subject to the prohibitions and no primary materials of Russian origin, as regulated here, are used. This confirmation covers all deliveries of parts, which are subject of this contract and is valid until it will be revoked from Contractors side.

Contact: [joerg.fricke@volkswagen.de](mailto:joerg.fricke@volkswagen.de)

### **AEO**

The contractor is required, based on legal requirements, to produce, store, process, finish and load goods produced, stored, transported or delivered on behalf of the customer, or accepted from the customer, in secure facilities and transport terminals, and to safeguard such goods from unauthorized access during production, storage, processing, finishing, loading and transportation. The contractor has to safeguard that the staff used to produce, store, process, finish, load, transport and accept such goods is reliable.

The contractor shall instruct business partners acting on its behalf that they are also required to undertake measures to secure the aforementioned supply chain. If the contractor has issued a security declaration confirming that it complies with the security requirements under this clause or if it has obtained an AEO certificate number the declaration or the AEO certificate number, as the case may be, shall be submitted to the customer upon request.

Contact: [joerg.fricke@volkswagen.de](mailto:joerg.fricke@volkswagen.de)

### **Carbon Border Adjustment Mechanism (CBAM)**

For certain energy-intensive goods that are delivered to the EU from a third country, Volkswagen AG is obliged to meet the requirements of Regulation VO 2023/956. To do this, we need information about the manufacturing process of these goods and their CO2 emissions. The contractor undertakes to provide Volkswagen AG with relevant data immediately upon request and to support its procurement from sub-suppliers.

Contact: [joerg.fricke@volkswagen.de](mailto:joerg.fricke@volkswagen.de)

Annex: Statement about the Export Control Classification

Explanations:

- a)

Military

Please state whether the Items Transferred to Volkswagen AG are classified as military Items according to the Export Control Law applicable to you (including U.S. International Traffic in Arms Regulations (ITAR)).
- b)

Dual-use

Please state whether the Items Transferred to Volkswagen AG are classified as dual-use Items according to the Export Control Law applicable to you (e.g. U.S. Export Adiministration Regulations (EAR) or EU Dual-Use Regulation).
- c)

Sanctions/Embargoes

If you have classified your Items according to sanctions/embargoes against specific countries, please state the respective sanctioned/embargoed country and the specific classification.
- d)

U.S. EAR

Please state whether the Items Transferred to Volkswagen AG are subject to the U.S. Export Administration Regulations (including EAR99; see § 734.3 EAR).

General remarks:

Export Control Law: national and international export control laws and regulations, including those related to foreign trade, embargoes and other sanctions

Item: Goods, Software and/or Technology

Field "HS code": Please find information on the Harmonized System on [www.wcoomd.org](http://www.wcoomd.org).

Fields "yes: enter classification": Please enter an export control classification number for the Items (e.g. U.S. ECCN). In case the Items have no specific export control classification number please state the legal bases according to which the Items are controlled as precisely as possible (e.g. annex x to regulation y).

Fields "legal base": Please enter the law/regulation according to which you have classified your Items, including the country which has published the law/regualtion (e.g. if you have classified your Item accoring to the EU dual-use regualtion please enter "EU regulation 2021/821").

Example:

No.	Reference no./ Serial no.	exact description of Item	HS code	a) Military			b) Dual-use			c) Sanctions/Embargoes (if known)				d) U.S. EAR			Commercial Country of Origin
				no	yes: enter classification	legal base	no	yes: enter classification	legal base	no	yes: enter classification	country subject to sanctions (ISO 2 code)	legal base	subject to the EAR		De minimis (if known)	ISO 2 code
														yes	no		
1	ABC123	military engine	840734		0006A	German export list part 1	x			x					x		IT
2	DEF456	encryption software	n.a.	x				5D002b	EU regulation 2021/821	x				x		> 25%	MX
3	GHI789	control unit	853710	x			x				Annex VII	RU	EU regulation 833/2014		x		DE
4	JKL101	shock-absorber	870880	x			x			x				x			US

Statement about the Export Control Classification

No.	Reference no./ Serial no.	exact description of Item	HS code	a) Military			b) Dual-use			c) Sanctions/Embargoes (if known)				d) U.S. EAR			Commercial Country of Origin
				no	yes: enter classification	legal base	no	yes: enter classification	legal base	no	yes: enter classification	country subject to sanctions (ISO 2 code)	legal base	subject to the EAR		De minimis (if known)	ISO 2 code
														yes	no	>10% / >25%	

	Yes
	No

Is one of the named classifications confirmed by the respective export control authority? If so, please send us a copy of this document.

Company:

Address:

Department:

Name:

Tel.:

Email: