

Conditions for customs and foreign trade related contracts of AUDI AG

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The following provisions determine how customs-related matters have to be managed and which obligations you have towards AUDI AG regarding customs and foreign trade law if you sell or deliver goods to AUDI AG.

You should read this document carefully and contact the responsible customs authority for prior agreements, if necessary.

The supplier is obliged to establish self-reliant and on its own responsibility all processes permitted by law in order to optimize customs duties as for example: inward processing, outward processing, specific use or bonded warehouse; the contractor shall bear all costs.

The English version of these terms is a convenience translation provided solely for purposes of general information. Alone the German version is the binding authoritative and shall take precedence over the English version in the event of any contradiction, conflict, or ambiguity.

1. Shipment to locations of AUDI AG

1.1 Shipment of goods in free circulation within the EU member states

(Shipment from non-Union goods (dutyable goods) through warehouses or permanent establishments of suppliers located in the EU: please refer to 1.2)

Goods in circulation within the EU (=Union goods) have to be transported within the EU without any customs formalities.

If initial materials are used for the production of goods, which are subject to customs duty, the contractor is obliged to inform AUDI AG, I/FS-4 thereof before the first shipment. The contractor is also obliged to cooperate with I/FS-4 in order to establish a customs procedure (e.g.: inward processing) in order to reduce the import duties, whenever applicable. Furthermore, the contractor is obliged to support the implementation of these procedures without any additional cost arising for AUDI AG so that customs related optimizations can be exploited to the utmost possible level (e.g.: by establishing customs procedures and customs authorizations).

Supplier declarations / long-term supplier declarations:

You are obliged to provide AUDI AG for all goods delivered by you a proof of preferential, non-preferential as well as AALA (American Automobile Labeling Act) origin.

If the delivered goods are covered by EU preferential agreements, you are responsible to provide the following documents:

In case of single deliveries a supplier declaration stating the AUDI-part number and the supplier number has to be provided to AUDI AG.

For all recurring deliveries, especially for series production material, a long-term supplier declaration has to be provided without request before the first shipment for the current year as well as on December 1st for the following year stating the AUDI-part number as well as your supplier number.

The long-term supplier declaration template of Volkswagen Group shall be used for this purpose.

The legal requirements for supplier declarations as well as for long-term supplier declarations, especially with regard to the form, have to be observed. If applicable, the cost arising from issuing supplier declarations shall be borne by you.

For each supplier declaration / long-term supplier declaration, which has not been received at all or which has not arrived in time, a lump-sum fee of EUR 175,00 (per verification ID) will be charged by AUDI AG for tracing and the associated expenses. AUDI AG will issue a separate invoice hereto.

In case of any change in origin, AUDI AG has to be informed immediately and without request in written form.

Supplier declarations and long-term supplier declarations have to be sent to the following address:

Volkswagen Pozna SP. Z o.o.
P/8 Dzia Celný (customs department)
Center of Competence Supplier Declaration
Ul. Warszawska 349
61-060 Pozna
Poland

You are liable for any damage and/or for any cost (especially customs penalties, legal costs... etc.) arising out of uncompleted and/or incorrect information within the supplier declaration.

Upon request, you have to prove your information regarding the country of origin by a customs confirmed information certificate (INF4). As far as further official documents are needed for the intended use of the delivered item at the time of import or export of goods, you are obliged to provide these information immediately to AUDI AG.

1.2 Shipment from Non-EU-States

Shipments have to take place duty and tax unpaid.

Concerning road transport, the goods have to be declared at their place of departure, at the latest at EU external border, for the common transit procedure T1.

On all transport documents (T1, railway consignment note, bill of lading... etc.) the comment "authorized consignee" has to be marked.

Exception:

For shipments subject to supervision and licensing as well as for shipments via supplier warehouses and invoicing by local trade partners, the contractor is responsible for import customs clearance. Audi AG has to be informed about the licensing requirement. The cost (fees and customs duties) shall be borne by the contractor. The contractor has to ensure the exclusive delivery with goods which are in free circulation within the EU market.

Country of origin and preferences:

With regard to the delivery of goods which might benefit from preferential agreements at the time of their import into the EU, the condition of the goods has to fulfill the respective preferential requirements. For the overall scope of shipments, a certificate of movement (EUR1, ATR, Form A, declaration of origin on the invoice) has to be issued and submitted to the recipient plant, accompanying the respective goods.

If a movement certificate cannot be provided for a shipment or part of it, although the respective legal requirements for issuing the same are fulfilled, AUDI AG reserves the right to charge back customs duty to you. AUDI AG may also start civil proceedings. The same applies in the event that the certificate of movement cannot be issued due to the fact that the preferential conditions are not fulfilled.

In case of regular shipments please be aware that a EUR.1 document can only be issued in exceptional cases; usually a declaration of origin on the invoices is contractually agreed.

"pre declaration" – summary declaration for risk analysis purposes:

The contractor is obliged to provide all necessary information for customs risk assessment in accordance with the provisions of the Union Customs Code. This information has to be passed to the contracting parties respectively to their contracted service providers.

Attention: missing documents for "pre declaration" may lead to delays in the loading of the goods and to possible penalties.

2. Permission / export control

The contractor is obliged to comply with any applicable national and international law and other legal provisions, especially to comply with any applicable foreign trade law and embargo regulations. This applies to the use and transfer of all exchanged goods and information within the scope of this agreement.

For the delivery of tangible or intangible goods for which - according to the German, EU and/or US export control law - an export permit must be obtained, the contractor is obliged to submit the following information to (exportkontrolle@audi.de):

These information requirements include:

- Indication of the respective classification number (e.g.: export list number according to German AWV, list number according to EG-Dual-Use-Regulation in the currently valid version of ECCN according to EAR, other national identifiers), if applicable with reference to existing procedural simplifications;
- Faithful representation of following questions regarding US goods:
 - Are the goods subject to US-(Re-) Export Requirements? (subject to the EAR?)
 - At the time of export from the USA, was an "Export License" needed?
 - If yes, under which restrictions? Have simplifications been used (e.g.: "License Exceptions")?
 - Which commercial origin do the goods and their components, including technology and software have?
 - Have the goods been transported through the USA, have they been produced or stored in the USA or have they been manufactured with US American technology?
- Provision of information material, which could become relevant for the application of export permission;
- Notification of the commodity code (HS Code);
- Identification of a contact person within the company of contractor, for clarification of any queries from AUDI AG.

This information requirements remain unchanged for the supplier even after termination of the business relationship.

3. Security in the International supply chain

The contractor is obliged to:

- ensure that goods which have been produced, stored, transported for, delivered to or received from AUDI AG,
 - are produced, stored, treated or processed and loaded at secure business premises and at a safe transshipment point.
 - are protected during production, the storage, treatment or processing, loading and carriage against any unauthorized access.
- deploy reliable staff for the production, storage, treatment or processing, carriage and takeover of such goods.
- inform the businesses partner acting on behalf of the contractor to also implement measures in order to ensure the above mentioned supply chain.

For further questions, please contact:

ZOLLANFRAGE@AUDI.DE