**Contractual terms ensuring the supply chain security and proof of origin of the delivered goods**

**Export control**

In the case of delivery of goods that are subject to any restrictions, licences, or export controls in the country of manufacture or in the country of dispatch, the supplier is obliged to provide the following information without request to the address: ŠKODA AUTO a.s., FRS - Tax and Customs, tř. Václava Klementa 869, 293 01 Mladá Boleslav, Czech Republic. The information shall include:

* the code of dual-use item(s) according to Annex I of Council Regulation No. 428/2009, as amended;
* information on the proportion of components, parts, software or other elements originating in the USA that are subject to export or re-export authorization, in the case of items subject to US Export Administration Regulation (EAR);
* information that the delivered goods are subject to international sanctions, export or re-export restrictions under EU or exporting country regulations,
* information on the contact person competent to provide details necessary to ensure export control of goods subject to control regimes under Council Regulation No 428/2009, EAR, or other export control regulations. The information obligation of the supplier continues even after the termination of the business relationship.

In the case of delivery of goods that are considered dual-use items according to EU, US or exporting country regulations, the supplier is obliged to clearly state on the invoice and in all commercial documents the phrase: **DUAL USE GOODS**.

**International supply chain security**

The supplier is obliged to ensure that the goods delivered to ŠKODA AUTO a.s. are manufactured, stored, processed, packaged and loaded in secure facilities or premises and protected from unauthorized manipulation and access by unauthorized persons during manufacture, storage, working or processing, loading and transport. The supplier is also obliged to ensure that the personnel ensuring the manufacture, storage, processing, packaging, dispatch, loading and transport of the goods are reliable.

Business partners acting on behalf of the supplier must be instructed by the supplier on the obligation to ensure supply chain security in accordance with the above requirements.

**Proof of origin of goods within the European Union and in trade with Turkey**

The supplier established in the EU or in Turkey is obliged to make out supplier’s declaration on origin of the delivered goods according to Commission Implementing Regulation 2015/2447, as amended, or relevant EU-TR arrangement, and send its original to ŠKODA AUTO a.s. (FRS - Tax and Customs, tř. Václava Klementa 869, 293 01 Mladá Boleslav, Czech Republic). The costs related to the preparation of this declaration shall be borne by the supplier. The supplier is obliged to immediately inform ŠKODA AUTO a.s. on any change in the declaration already provided. The supplier shall be liable for any damage, injury and costs (eg fines, costs of additional customs duties, interest, costs of related administrative proceedings, etc.) incurred by ŠKODA AUTO a.s. that arise from incomplete, incorrect or false information in this declaration.

Supplier who does not provide the declaration on preferential origin of the delivered goods shall be obliged, at the request of ŠKODA AUTO a.s., to justify why the delivered products do not obtain the EU preferential origin. At the same time, the supplier is aware that the inability to prove the preferential origin of the delivered goods puts him at a significant competitive disadvantage.

At the request of ŠKODA AUTO a.s. the supplier of products with a unit value exceeding € 50 shall make out a long-term supplier’s declaration for products not having preferential origin status in accordance with Annex 22-18 of Commission Implementing Regulation 2015/2447.

If the supplier does not comply with the above obligations, ŠKODA AUTO a.s. reserves the right to retain 30 percent of the invoiced value until a long-term supplier's declaration is made out.

**Proof of origin and status of goods in trade with non-EU countries**

Supplier who has undertaken in a tender to supply goods entitled to preferential tariff treatment upon import into the EU, based on international agreements or autonomous measures, is obliged to provide ŠKODA AUTO a.s. one of the following documents issued for each consignment in accordance with the relevant agreement or regulation:

* the original of the movement certificate EUR.1,
* the exporter's declaration on an invoice or other commercial document - the signed original if the declaration does not contain the exporter's identification number, or the electronic format of the document containing the origin declaration of the approved exporter, registered exporter or exporter identified in accordance with the law of the exporting country,
* the original of the A.TR. certificate.

The supplier shall take the necessary measures to ensure that ŠKODA AUTO a.s. has proof of the origin or status available at the time of importation of the respective goods. If the supplier does not provide this proof, ŠKODA AUTO a.s. has the right to retain payment for the supply of goods the origin or status of which has not been proved.

The supplier shall be liable for any damage, injury and costs (eg fines, costs of additional customs duties, interest, costs of related administrative proceedings, etc.) incurred by ŠKODA AUTO a.s. that arise from incomplete, incorrect or false information in the proof of origin or status.