



Terms of contract for proof of origin, export control and supply chain security

Date: July 2017

Proof of origin

Contractors whose registered seat is outside of the EU are requested, if the country of dispatch of the goods has concluded a free trade agreement with the country of destination, to state bindingly for each part number whether the goods delivered are originating goods according to the respective agreement and in the case of deliveries from Turkey whether the goods are in free circulation. You have to provide proofs of the preferential origin status. If you do not issue the aforementioned proofs although you have confirmed this, we reserve the right to charge you with the additional costs that result from the higher import duties.

Contractors whose registered seat is in the EU are requested to deliver exclusively goods of EU-preferential origin to Volkswagen AG that fulfill the requirements of the EU's free trade agreements. In the offer you are requested to make a binding statement with regard to the preferential origin status. You are obliged to declare the preferential, non-preferential and American AALA origin of all goods to be delivered to Volkswagen AG and its subsidiaries by means of a long-term supplier's declaration. Such declaration shall be issued at latest in connection with the first delivery. Volkswagen AG shall be informed immediately in writing of any alterations occurring during the course of the year. The contractor shall renew the declaration each year with a validity period of one calendar year without request. For all goods with a minimum value of EUR 50 and at request of Volkswagen AG the value of non-originating materials used in the manufacture of the delivered good has to be declared. In the case that the contractor does not comply or not comply in a timely manner with the aforementioned obligations or if the information about the preferential origin status provided in the offer are contradicting, Volkswagen AG reserves the right to withhold the payment of 30% of the invoiced amount until the long-term supplier's declaration is issued. In case the contractor does not or not issues correctly the requested documents Volkswagen reserves the right to reduce the invoiced price.

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Export control

The contractor is required to inform the client of any export restrictions or export license issued in the country of manufacture and/or the country in which the goods are dispatched.

The contractor is required to inform the client of any obligations to obtain a license (license obligations) under the US export and re-export laws (including EAR99 items). The contractor is also required to inform the client of any obligations to obtain a license for dual-use goods and munitions under the community law of the European Union or the national provisions of foreign trade legislation.

For this purpose the contractor shall provide to the client the following information:

- Export control classifications (German export list; listings subject to EU Dual Use regulation in the current applicable version, Export Control Classification Number (ECCN) according to US EAR; other national classifications)
- Reference to existing procedural simplifications (where relevant)

If the goods are considered US goods within the meaning of US legislation (manufacture or storage in the USA; manufacture using US technologies and/or parts), the contractor additionally shall provide the client with following information:

- Was an export license necessary for exporting from the US? (conditions?)
- Were simplifications (e.g. license exceptions) applicable and used?



For all goods the contractor shall inform about the incorporated US-goods/components (=US content). In this context the contractor shall explicitly state an indication of US content which is controlled by US EAR. The contractor shall provide the complete documentation of the de minimis calculation.

The aforementioned measures and laws also apply to technologies, software and services related to controlled goods accordingly.

The contractor shall provide the client with all of the documents required for a license application and shall nominate a person to contact in the event of any queries.

These obligations shall continue to apply once the business relationship has been terminated.

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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 client, or accepted from the client, 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 Volkswagen AG upon request.

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