

Customs Supplier Instruction

Origin of goods and preferences

1 For customs purposes the supplier has to add a commercial invoice in duplicate and in the English language or the national language of the company of the Schaeffler Group – hereinafter referred to as 'customer' to the shipping documents. The latest version of the Incoterms is applicable. The use of the Incoterms EXW and DDP are excluded.

The supplier's invoice must state the information on the non-preferential origin. If goods with different origins are delivered with the same invoice, an itemized list is required. The country of origin labeled on the goods, the packaging, the transport label, tag or a similar trade symbol has to match the information on the shipping documents and / or other documents of the respective goods.

If the supplier is not the manufacturer of the goods, then the commercial invoice must state the respective manufacturer of the goods as well.

In case of shipments which are liable for duty, the following information has to be stated explicitly in addition to the customs-relevant information which are specified separately on the front page of the invoice:

- Costs which are not included in the price (e.g. commissions, broker fees, license costs, manufacturing equipment costs, material provided by the customer)
- Costs which are already included in the price (e.g. installation costs and freight costs)
- The value of repair services split between material and labour costs

For shipments free of charge the statement of the goods value is mandatory as well as the notice "For customs purposes only". The reason for shipping the goods free of charge must also be stated on the invoice (e.g. sample shipment free of charge). This is valid also for return shipments (e.g. "returned goods" or "reason for return").

In the case of self-billing the supplier must provide a commercial invoice for customs clearance.

2 The supplier is obliged to issue all documents that are required for importation and exportation, all official documents regarding the usage of goods according to regulations, all proofs of non-preferential, preferential or AALA (American Automobile Labeling Act, No. 49 CFR Part 583) origin at his expense and to provide the customer with these documents and the goods. This also applies for documents which are required for other purposes with foreign trade-related purpose, e.g. potential preferential treatment of the goods.

As long as standardized official forms for the proofs of origin exist, these proofs are to be used. This is particularly the case if special official documents exist for the proof of the preferential origin of goods (e.g. a supplier's declaration conforming to the official sample according to Commission regulation (EU) Nr.2015/2447 or an equivalent legal basis).

The SAP material number of the Schaeffler Group must be stated on this proof of preferential origin (supplier's declaration). The supplier's declaration has to be signed by authorized employee of the supplier and provided to the customer within 14 days after receipt of the blank form.

In case of an initial supply of one or several goods the relevant documents must be provided latest at the time of arrival of the first shipment of the goods. The respective documents have to be sent directly to the contact address provided by the customer.

Without prior written approval of the customer (represented by the relevant customs and foreign trade department) the supplier is not allowed to present a supplier's declaration by using his own form. The supplier is not released from the above mentioned obligations, if documents are provided in the area of responsibility of the supplier (e.g. providing a supplier's declaration in the supplier's web portal).

In general case-related individual supplier's declarations or supplier's declarations with extended validity have to be issued. Examples are USMCA Certificates of Origin or a long-term supplier's declaration. The validity period of issued declarations complies in principle with legal regulations. The supplier is obliged to report every change of status without delay.

At least six weeks before the expiration of the validity period of a supplier's declarations with extended validity, the supplier provides the customer with a new declaration. The validity period of this declaration should be issued for the maximum validity period possible according to legal regulation. However, it ends latest on December 31st of the calendar year for which the declaration has been issued. If one of the mentioned time limits cannot be met, the supplier has seven days to reply to the respective request letter.

If the supplier cannot provide proofs of origin for goods which are delivered within the same customs area (e.g. in the case of delivery of goods within the same national borders or within the European Union) and thus cannot provide a case-related individual supplier's declaration or a supplier's declarations with extended validity for goods having preferential origin status on an official form, then the supplier is obliged to present as a replacement a long-term declaration on an official form for the non-preferential origin (e.g. for the delivery of goods within the European Union according to Commission regulation (EC) Nr. 2913/92 and 2454/93).

Irrespective thereof the supplier has to provide the customer with additional proofs concerning the non-preferential origin of goods (e.g. in the form of a certificate of origin) on request.

Process-related individual declarations or individual proofs which are provided with delivery of goods cannot be accepted and are only allowed after the customer's approval.

Changes concerning the origin of goods have to be provided in writing to the customer immediately. A change is only allowed after the customer has sent a written approval. The supplier has to bear the cost which are related to such change.

The supplier is liable and compensates for all disadvantages which the customer faces in the case of an incorrect or delayed provision of above mentioned proofs. This is valid also for such cases in which the sent proofs turn out to be inaccurate or insufficient retrospectively.

If required, the supplier must prove the origin statements by using an official information certificate which has been approved by their customs authorities.

3 The allocation of the customs tariff number for delivered goods is done by the customer. In the case of uncertainties concerning the correct classification of the goods, the supplier has to support the customer with the provision of additional information (e.g. product specific details). If the supplier provides the customer with customs tariff numbers for the goods delivered, then they can be used as an additional information by the customer for the classification of the goods. This applies especially for such customs tariff numbers which are provided together with other information concerning the origin of goods or in connection with excise duties or obligations concerning the reverse charge procedure.

4 If reporting duties apply for the purchase in connection with European or national statistical laws, then the respective obligations and responsibilities apply.

5 The supplier has to support the customer with all required means which lead to a reduction or minimization of the customer's payment obligations with regard to customs duties.

6 For all questions and instructions related to customs duties and declarations of origin the supplier has to contact the department communicated by the customer responsible for these topics.

If no other agreements apply, then the import processing is performed by the customer. If the supplier performs the import processing without explicit written approval by the customer, then the supplier bears all associated costs.

7 Every deviation of above-mentioned statements can only be applied after the written approval by the customer.

8 The supplier confirms that

- Goods produced, stored, transported, delivered to or accepted by the Schaeffler Group on behalf of the Schaeffler Group

- are produced, stored, processed and loaded at safe operating sites and at safe handling locations
- are protected against unauthorized access during production, storage, processing, loading and transportation

- The personnel employed for the production, storage, handling or processing, transportation and acceptance of such goods are reliable

- Business partners acting on his behalf are informed that they must also take measures to secure the above-mentioned supply chain.

The supplier is obliged to prove this either by means of a valid trusted trader program/authorization such as AEO, CTPAT etc. or to submit a security declaration to the Schaeffler Group. Furthermore, the supplier is obliged to notify the Schaeffler Group immediately of any changes in this regard.