

Appendix N

Customs and Foreign Trade Regulations

Table of contents

1	Purpose	2
2	Scope	2
3	Responsibilities	2
4	Terms and definitions	2
5	Procedure	3
5.1	Country of Origin	3
5.2	Customs tariff number (HTS code) – European Union	3
5.3	Customs tariff number (HTS code) – non-European Union	4
5.4	Supplier’s declaration for European supplier’s to European customer	4
5.5	Proof of Origin	6
5.5.1	For European suppliers for SMP in Europe (GER, HUN, SVK, ESP, POR)	6
5.5.2	For European suppliers for SMP in Serbia	7
5.5.3	For European suppliers for SMP in Mexico	7
5.5.4	For European suppliers for SMP in United States of America	7
5.5.5	For suppliers from non-EU Countries for SMP in Europe (GER, HUN, SVK, ESP, POR)	8
5.5.6	For suppliers from non-EU Countries for SMP in Serbia	9
5.5.7	For suppliers from non-EU Countries for SMP in United States of America	9
5.5.8	For suppliers from non-EU Countries for SMP in Mexico	9
6	Change log	9

Locally saved or printed copies of this document are not controlled and for reference only.

Consult B.A.Se for current version.

1 Purpose

This document regulates the requirements regarding the customs tariff number (HTS code) and countries of origin for the suppliers who supply the SMP plants. It is intended to ensure that the parts always have the correct customs data stored. In particular, changes to the country of origin must be communicated immediately.

2 Scope

This instruction is valid for all direct material suppliers of SMP which deliver parts to SMP in series production.

3 Responsibilities

The suppliers of products must meet all the requirements listed in this document throughout the project and product term. This includes:

- Regularly check that this document is up to date at www.smp-automotive.com
- Ensure that the custom and legal standards and requirements mentioned in this document are available and known.
- Ensure that these requirements are met along the supply chain.

4 Terms and definitions

CoO - Country of Origin

HTS code - Harmonized Tariff Schedule code

CO - Certificate of Origin

WTO - World Trade Organization

WCO - World Customs Organization

CN - Combined Nomenclature

5 Procedure

5.1 Country of Origin

The "Country of Origin" is the country in which the goods originate.

Goods originating in a country are goods which have been wholly obtained or produced in that country. A good in the production of which two or more countries have been involved originates in the country in which the last substantial and economically justified working or processing took place, which was carried out in an undertaking equipped for that purpose and resulted in the production of a new product or represents a significant stage of production.

5.2 Customs tariff number (HTS code) – European Union

The customs tariff number, or commodity code, is a combination of numbers that ensures conclusions about the nature of a good and is accepted throughout the territory of the World Trade Organization (WTO).

All goods are recorded in the customs tariff exactly according to their description under assignment of a customs tariff number.

- In the export declaration this number is 8 digits.
- In an import declaration this number is always 11 digits.

The customs tariff number, also known as the "commodity number", is used to uniquely identify and classify goods for customs purposes and for statistics. It is virtually the barcode of your goods behind which, in addition to the exact description of the goods, information such as tariff quotas, anti-dumping regulations, tariff suspensions, prohibitions and restrictions and the coding of import VAT rates can be hidden. The tariff code number always has the same structure.

The first six digits of the code numbers of the customs tariff have been regulated worldwide since 1988 by the World Customs Organization (WCO) in the form of the HS nomenclature, i.e. the structure of the customs tariff with regard to the first six digits is identical in almost all countries involved in world trade.

In Europe, an EU-standardized eight-digit goods nomenclature for foreign trade has been agreed within the framework of the Common Commercial Policy. This is known as the Combined Nomenclature (CN). The numbers of the combined nomenclature (i.e. the first 8 digits) are valid within the European Union. They are based on the first 6 digits from the HS nomenclature and the 7-8 digits assigned by the EU.

The 10-digit code (9-10 digits) encodes EU Community measures that are not encoded in the 8-digit code of the combined nomenclature.

The 11 digit is the code for national measures such as prohibitions and restrictions, encoding of import VAT rates and the like.

5.3 Customs tariff number (HTS code) – non-European Union

HTS codes are product classification codes between 8-10 digits. The first six digits are an HS code, and the countries of import assign the subsequent digits to provide additional classification. U.S. HTS codes are 10 digits and are administered by the U.S. International Trade Commission.

5.4 Supplier's declaration for European supplier's to European customer

A supplier's declaration is a proof of the preferential origin of an imported good. It is used by the exporter as proof for issuing and applying for a preference certificate (movement certificate EUR. 1 or a declaration of origin on the invoice).

Supplier declarations come in different variants. However, their wording is mandatory. Since they contain statements on the preferential origin of a good, it is usually necessary to check the origin of the listed goods against the relevant provisions. They are generally used for goods movements within the European Union. The legal basis for this is Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down provisions for the implementation of Regulation (EU) No 952/2013 of the European Parliament and of the Council establishing the Union Customs Code (CCC-IA).

Implementing Regulation (EU) 2015/2447

Supplier declarations in the trade of goods with countries that are not part of the European Union are only possible in the following cases:

- Cross-border supplier's declarations for goods without preferential originating status in trade with certain countries
- Information on supplier's declarations without preferential originating status
- Cross-border supplier's declarations for certain goods with preferential origin (of the European Union, Turkey or a "cumulation partner state" permitted under the respective matrix, if applicable) with regard to pan-European cumulation, cumulation under the regional convention, pan-Euro-Mediterranean cumulation and SAP cumulation

Information on cumulation according to the Regional Convention/Pan-Euro-Med agreement. Therefore, for example, in cross-border trade with Switzerland, supplier's declarations issued are not suitable evidence to certify the originating status of a good within the meaning of this regulation. Here, only a preference certificate issued or made out on the basis of the agreement can serve as proof of originating status.

Supplier's declarations are issued without official assistance. The supplier is responsible for the correctness of the issued declarations towards the recipient

and the customs authorities. An incorrectly issued supplier's declaration may lead to consequences under tax law, civil law and/or criminal law.

Long-term supplier's declarations (LLE) represent one-time declarations that are valid for deliveries over a longer period of time, provided that the delivered goods are expected to have the same origin status.

The amendment of Article 62 of the Implementing Regulation (EU) 2015/2447 (UZK-IA) with effect from June 14, 2017 (Official Journal of the European Union No. L/149 of June 13, 2017) has comprehensively redefined the possible period of validity of long-term supplier's declarations used in Intra-European trade, making them much more flexible.

The following principles are to be observed:

- A Long-term supplier's declaration:
 - the date on which the declaration was made out (date of issue)
 - the date from which the LLE is valid (start date)
 - the date until which the LLE is valid (expiration date)
- The start date may not be more than 12 months before or 6 months after the date of execution, but may be freely chosen within this time window.
- The expiration date may then be no more than 24 months after the start date, but may also be freely chosen within this time window.

Within the maximum validity period, the specific validity period of a Long-term supplier's declaration can be specified under:

"This declaration is valid for all shipments of these goods in the period from ... to ...".

The issuance of a single long-term supplier's declaration both for deliveries already made and for future deliveries is thus again permissible within the framework described above.

5.5 Proof of Origin

5.5.1 For European suppliers for SMP in Europe (GER, HUN, SVK, ESP, POR)

Our European suppliers undertake to issue a long-term supplier declaration for their goods at least once a year (to the end of a year for the following). The validity of the declaration should be at least 1 year. Single supplier declarations are only accepted in exceptional cases and after consultation.

If new articles are sourced between the issuance of two Long-term supplier's, the supplier is obliged to upload Long-term supplier's declaration for these articles via PriSMa without further request of SMP.

The supplier declaration must contain the following information:

- SMP material number
- Material description
- SMP plant delivered
- Country of origin (commercial origin)
- HTS code
- Preferential status of the goods

If there are several goods, an article list with the above information must be attached to the supplier's declaration as an excel spreadsheet.

If necessary, SMP can provide the supplier with an article list via PriSMa. This must also be requested via PriSMa and completed filled uploaded again via PriSMa.

Supplier's declaration in paper form or by mail will no longer be accepted.

Activity	Responsible
Upload yearly supplier's declaration via PriSMa	Supplier
Check information in supplier's declaration	SMP
Upload new sourced articles during the year via PriSMa	Supplier
Provide article list (must be requested from the supplier via PriSMa if it is required)	SMP

5.5.2 For European suppliers for SMP in Serbia

for every shipment a EUR.1 is necessary. If you have the permission a declaration of Origin at the invoice (sent with the shipment) is also accepted EUR.1 must be sent in Original to the following address (copy with the shipment) Invoice, which is sent with shipment must show Country of Origin for every article and HTS code.

SMP Automotive Interior Modules d.o.o. Cuprija
Customs department / Purchasing
Despotovacki put 120
35230 Cuprija
Serbia

5.5.3 For European suppliers for SMP in Mexico

for every shipment a EUR.1 is necessary. If you have the permission a declaration of Origin at the invoice (sent with the shipment) is also accepted Invoice, which is sent with shipment must show Country of Origin for every article and HTS code. EUR.1 must be sent in Original to the following address (copy with the shipment)

SMP Automotive Systems Mexico
Customs department / Purchasing
Av. Tlaxcala 480, Barrio del Calvario
72700 San Juan Cuautlancingo, Puebla
Mexico

or to

SMP Zitlaltepec
Tlaxcala 136,
90596 Tlaxcala de Xicohténcatl, Tlaxcala
Mexico

5.5.4 For European suppliers for SMP in United States of America

They upload the Certificate of Origin with all existing articles in PriSMA all 6 months. Should a Country of Origin of one or more items change in the meantime or should new items be added, the supplier is obliged to upload a Certificate of Origin for these items via PriSMA without being requested to do so.

5.5.5 For suppliers from non-EU Countries for SMP in Europe (GER, HUN, SVK, ESP, POR)

Suppliers from third countries are obliged to inform SMP about the commercial origin of their goods and the HTS code. Each change of the Country of origin must be communicated by the supplier immediately to the company SMP.

There are three ways to do this:

- 1) by EUR.1 with each shipment for countries that have a preferential agreement with the European Union (copy with the goods, the original by sending by post to SMP, Headquarters, Customs Department, see address below).
- 2) Indication on the invoice of the shipment, this invoice must be sent in advance to the following mail address (and also with the goods):

SMP-SCMS@motherson.com

In these invoices we need the following information:

- Material no. of SMP
 - Description of the goods ("plastic part" is not enough)
 - HTS code
 - Country of Origin
 - Contact person at SMP
 - Incoterm
 - Reference no. of SMP e.g. purchase order number or scheduling agreements
 - The project name, contact person, the parts are there for
- 3) Certificate of Origin with each shipment (copy with the goods, the original by sending per post to the following address:

SMP Deutschland GmbH
Customs department
Schlossmattenstraße 18
79268 Bötzingen
Germany

5.5.6 For suppliers from non-EU Countries for SMP in Serbia

They have to send a Certificate of Origin or add information about Country of Origin and HTS code in the invoice which is sent with the shipment.

5.5.7 For suppliers from non-EU Countries for SMP in United States of America

They upload the Certificate of Origin with all existing articles in PriSMa all 6 months. Should a Country of Origin of one or more items change in the meantime or should new items be added, the supplier is obliged to upload a Certificate of Origin for these items via PriSMa without being requested to do so.

5.5.8 For suppliers from non-EU Countries for SMP in Mexico

They upload the Certificate of Origin with all existing articles in PriSMa one time a year. Should a Country of Origin of one or more items change in the meantime or should new items be added, the supplier is obliged to upload a Certificate of Origin for these items via PriSMa without being requested to do so.

Please note that sending by mail is no longer excepted. Please register in PriSMa if you are not yet.

6 Change log

Revision	Date	Description
1	01.03.2022	First version