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SCHAEFFLER

Logistics Guideline

Schaeffler's Logistics Requirements for Suppliers

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1. Introduction

The integration of external suppliers into the Schaeffler production system contributes significantly to meet the requirements of our customers in a sustainable manner. The focus here is on securing market supply and meeting cost-, quality- and sustainability targets.

Achieving these goals requires a close cooperation with our suppliers. The relevant specifications are described in the following chapters.

Note:
The most important changes in content compared to the previous edition of December 2020 are highlighted in blue.

2. Scope of applicability

The Logistics Guideline (LG) serves as a basis for the structuring and implementation of logistics purchasing and procurement processes for the supply to companies of the Schaeffler Group (i.e. all companies in which Schaeffler AG directly or indirectly holds a majority interest) with production material by external Suppliers. It is valid worldwide.

Insofar as a General Agreement (GA) has been concluded or the validity of a Quality Assurance Agreement (QAA) or Schaeffler's Terms and Conditions of Purchase has been agreed, these shall take precedence over the Logistics Guideline (LG).

Any additional requirements of an individual Schaeffler production location can be specified by using the form
- **"Logistics Agreement"** for the Automotive Technologies and Aftermarket Divisions
- **"Supply Agreement"** for the Industrial Division

and shall then, unless otherwise agreed, take priority over the provisions of this Logistics Guideline.

An overview of all production locations is available on the Schaeffler website.
https://www.schaeffler.com/en/meta/worldwide/locations-worldwide

In order to take account of customer requirements, the Logistics Guideline can be adapted in individual cases. These adjustments shall be made in coordination with the supplier. The supplier shall not unreasonably refuse these required or appropriate adjustments to the Logistics Guideline.

3. General requirements for the supplier and supplied products

The supplier is obligated to observe and comply with the statutory, official or other legally binding provisions and directives that apply to him and his products, in particular with respect to applicable foreign trade and customs laws. This applies irrespective of the level in the supply chain that the supplier occupies.

4. Capacity and flexibility

The supplier shall provide sufficient capacity (personnel, production facilities, raw materials, etc.) and ensure a secure supply of materials at all times, which also takes into account and compensates for fluctuations in demand, including the supply of raw materials by Sub-suppliers.

4.1 Procedure

In order to comply with the stated requirements, the Supplier is obligated to conduct capacity and resource planning on a regular basis and to provide evidence of same when necessary.

For this purpose, the Supplier shall provide a regular reconciliation of requirements (forecasts, delivery schedules and individual orders provided by Schaeffler) with the supplier's available capacities in the short, medium and long term.

At Schaeffler’s request, the supplier shall carry out this supplier capacity check (SCC) using the SupplyOn platform. The comparison enables early detection of bottlenecks. The SCC does not release the supplier from fulfilling the agreements made with Schaeffler (in particular Yearly Pricing and Supply Agreement, Project Agreement, Delivery Schedules). In this respect, only the delivery quantities and dates from the single orders or delivery schedule call-offs are binding for the supplier. The delivery quantities shown are a non-binding preview which is not binding for Schaeffler and does not include any obligation to accept. The agreed prices and conditions shall apply.

In the event of recognizable significant deviations, the Supplier shall contact Schaeffler proactively and without delay (self-disclosure) and reach an agreement on suitable measures.

In the event the Supplier is facing impending or existing capacity or supply bottlenecks, Schaeffler may require notification and demonstration of capacity and supply related figures (e.g. capacity, inventories, shift models, etc.). Schaeffler reserves the right to examine the capacities and ability to supply at the Supplier's site.

4.2 Flexibility in the volume production process

The obligation of the Supplier to supply defined quantities on the customer's request and to be able to react flexibly even to higher demands of the customer and to be able to supply these if necessary is to be agreed separately, as e.g., in

- Master Agreement (MA)
- Project Agreement
- Yearly Pricing and Supply Agreement (YPSA)
- Logistics Agreement (LA) / Supply Agreement (SA)
- Consignment Store Agreement

4.3 Volume production ramp-ups and phase-outs

Prior to the cessation of production of a contractual product and / or before volume production phase-outs, Schaeffler shall be given the last opportunity to order the contractual product that will no longer be produced in the future in an appropriate scope. For this purpose, the Supplier shall announce the cessation of production and / or the phase-out of a series in a timely manner, but at least six months before the respective termination date, in writing or electronically. Other agreed obligations of the supplier, in particular those from any master or project agreements concluded, to continue to supply contractual products or spare parts thereof even after the end of series production, shall not be affected by this.

In case of volume production ramp-ups and phase-outs
- a higher flexibility might be required than in the mass production process (see Section 4.2)
- quantities for ramp-ups and phase-outs must be aligned on time
- a control system (including processes, systems and organization) has to be defined

The coordination of the last Supplier’s production lot is not equivalent to the delivery release for this quantity. In principle, deliveries continue to be made according to the transmitted demands by Schaeffler.

4.4 Measures taken during disruptions

In the event of disruptions with possible effects on the performance of the Supplier (delivery date and / or quantity, quality), the Supplier must immediately provide at least the following information:
- Cause of failure and corrective measures
- Maximum production capacity
- Comparison of target capacity and actual capacity
- Personnel requirements and availability (including shift model)
- Possible manufacturing alternatives (internal and external)
- Special freights to reduce delivery time
- Plans to reduce backlog
- All listed information must be submitted in writing; any formats specified by Schaeffler must be used

Regardless of the above notifications, the Supplier is also obliged to
- Present an emergency plan for correcting the disruption
- Inform every concerned Schaeffler plant and demonstrate the planned measures
- Realize the planned actions immediately

If Schaeffler deems the emergency plan to be inadequate, Schaeffler is entitled to propose measures for correcting the disruption, taking the Supplier's interests into account. The Supplier is obligated to implement these measures if these measures and the implementation of them are reasonable. If the Supplier has reservations about the measures proposed by Schaeffler, the Supplier is obliged, without affecting the obligation to implement them, to inform Schaeffler of these considerations without any delay.

If it is recognizable that agreements and promises cannot be observed or are at risk despite implementation of the agreed measures, the Supplier must inform Schaeffler immediately. The Supplier is also obliged to coordinate further steps (e.g. delivery of partial quantities, etc.) with Schaeffler.

The Supplier cannot derive any claims against Schaeffler from the measures proposed by Schaeffler and their implementation insofar as nothing else has been explicitly agreed. In particular, the obligation of the Supplier to deliver as agreed shall remain unaffected. A different regulation shall only apply if, after implementation of the measures, the concerns reported by the Supplier have been met.

4.5 Obligations to provide information in special cases

The Supplier shall reimburse Schaeffler for all costs arising from disruptions in the logistics process insofar as the supplier is responsible for such disruptions (see Section 7.2).

The Supplier shall promptly report all information about circumstances which have or may have an adverse effect on its ability to fulfill its contractual obligations to Schaeffler.

In urgent cases, in particular if timely or orderly deliveries made to Schaeffler by the Supplier are at risk, the Supplier shall, without affecting the measures to be taken in case of disruptions (see Section 4.4), also ensure that a contact person appointed by the Supplier is available at any time (i.e. also outside of normal business hours and on weekends and holidays). This person must be authorized to initiate immediate measures or have anytime access to decision-makers who are empowered to do so.

If supply obligations (e.g., delivery quantity and / or date) cannot be fulfilled, the Schaeffler contact person specified in the order must be informed immediately.

4.6 Premium freights

Premium freights are all transports which are carried out deviating from the agreed standard or the agreed transport modalities, i.e., in particular all transports with a deviating mode of transport, means of transport or freight payer, e.g. express instead of standard transport.

4.6.1 Information about premium freights

If the supplier recognizes that a transport of contractual products from the supplier to Schaeffler cannot be carried out in accordance with the conditions and standards agreed with Schaeffler, the supplier is obliged to inform Schaeffler of this immediately in text form and to coordinate the further procedure with Schaeffler and to obtain instructions from Schaeffler within the framework of the contractual and legal provisions.

If a premium freight is to be carried out, the supplier is obliged to provide Schaeffler with all information relevant to the execution of the respective special transport or to obtain such information from Schaeffler.

4.6.2 Organization and implementation of premium freights

Premium freights by the supplier shall be carried out in coordination with Schaeffler, unless otherwise agreed.

4.6.3 Premium freights caused by the supplier

If the supplier is responsible for the transport of the contractual products to Schaeffler in accordance with the agreement and if the supplier is responsible for the process disruption, the supplier shall immediately arrange and carry out the premium freight at its own expense if coordination cannot be brought about in time and nothing else has been agreed.

If it is not possible for the supplier to organize the transport, Schaeffler may arrange the transport. The expenses incurred as a result (effort and costs) shall be charged to the supplier by means of a complaint (see also Sections 7.2 and 7.3) if the supplier was responsible for the process disruption.

4.6.4 Premium freights arranged by Schaeffler

If the supplier is instructed by Schaeffler to organize a special transport on behalf of and for the account of Schaeffler, a so-called premium freight ID (PFR number) is required. The supplier is obliged to request this number from Schaeffler. This number ensures the cost transfer and payment of the freight invoice. The number must be handed over to the freight forwarder by the supplier when the transport order is placed.

Without a premium freight ID, the freight invoice is to be paid by the supplier and settled by Schaeffler using the credit / debit procedure.

5. Order management

5.1 Demand planning and forecast

Long-term planning is required to ensure the Supplier has the capacity to supply. Schaeffler will provide the Supplier with a long-term, for Schaeffler non-binding demand forecast on an item or a jointly coordinated aggregation level. In addition to the existing orders, this forecast is also based on a mid- and long-term demand estimate.

Binding production, material and supply approvals as well as delivery obligations will be issued in accordance with the Master Agreement and/or other agreements existing between Schaeffler and the Supplier.

5.2 Control and call-off methods

The standardized materials requirements planning procedure to be used will be established by Schaeffler based on the specific requirements of material and Supplier with the objective of high supply security, reasonable stock-range, standardization of the procurement processes, etc. The Supplier is entitled to object to a specification by Schaeffler if the implementation of the disposition method selected by Schaeffler is unreasonable for the Supplier. If the Supplier does not raise an objection within a reasonable period of time, but not later than two weeks after notification of modification, the disposition method chosen by Schaeffler shall be deemed to be reasonable.

Schaeffler uses the following materials requirements planning methods:

Delivery schedule agreement procedure
For a period of up to 12 months the Supplier will regularly receive order information (quantities and delivery dates) in the form of scheduling agreements.

Schaeffler will regularly update the scheduling agreements on specified weekdays, whereby the dates indicate the arrival date (date of day) in the respective Schaeffler plant. This means, regardless of the Incoterm, the specified dates are always to be understood as dates of arrival at the ordering Schaeffler plant. If Schaeffler is responsible for transport, the provision date for the Supplier shall be calculated from the arrival date minus the transport time notified by Schaeffler (provision date = arrival date at Schaeffler plant – transit time). The Supplier respects the aligned transit time (also considered by his system). The last transmitted schedule agreement is relevant and replaces older delivery schedules.

Any deliveries deviating from this are only permitted if agreed by Schaeffler. The stated delivery dates are independent of the Incoterm.

Deliveries on dates other than the given delivery dates shall only be performed if coordinated with Schaeffler.

- Communication by Schaeffler
  - *Forecast values on a rolling basis on weekdays specified in the Logistics-/Supply Agreement*
  - *Maintenance of the planning parameters at item level, or at another agreed level of aggregation*
- Duties of the Supplier
  - *Delivery of the scheduled quantities on the required date*
  - *Provision of the committed capacity and flexibility (see Logistics-/Supply Agreement)*
  - *In the case of consignment processing, the obligations result from the consignment warehouse contract which must be agreed separately*

The call-off process can be agreed between Schaeffler and the Supplier in conjunction with consignment processing. The general conditions in this regard are regulated in the consignment store agreement.

Vendor-Managed-Inventory (VMI)
The Supplier assumes full responsibility for material planning according to a defined range of items in a plant. For this purpose, he gets an insight into the relevant planning situation at Schaeffler.

VMI may be agreed on in conjunction with consignment processing between Schaeffler and the Supplier.

The framework conditions, that are required for this, shall be specified in the Consignment Store Agreement.

- Communication by Schaeffler
  - *Provision of planning figures for the defined range of items*
  - *Establishment and maintenance of minimum and maximum inventory limits*

If the Supplier is responsible for defining these values, Schaeffler will enter the values specified by the Supplier into its planning system.

- Duties of the Supplier
  - *Sole responsibility for materials supply of a plant's defined range of items*
  - *Independent planning and control of the materials supply by processing the continuously provided planning figures*

5.3 Order / scheduling agreement processing and tracking

The Supplier is obliged
- to check an order / schedule agreement on receipt for correctness and plausibility (e.g. addressee, material number, quantity, date, etc.) and to report any irregularities immediately
- to carry out continuous internal order tracking
- to be able to provide information on the progress of production at any time. This also includes continuous and transparent order tracking with its Sub-suppliers.

5.4 Consignment

In coordination with the Supplier consignment processing may be set up for the respective Schaeffler plants. Details of the consignment processing arrangement shall be specified in a separate Consignment Store Agreement.

Consignment processing may be combined with all supply methods listed in item “5.2. Control and Call-off methods”.

5.5 Subcontracting

In the case of subcontracting, the withdrawal of provided components / parts must be done according to FIFO.

Scrap quantities must be returned separately and marked as scrap for each batch number after subcontracting, in case of
- Individual / complete deliveries: immediately
- Multiple deliveries: after complete consumption of the respective batch

6. Communication

The basis for successful cooperation between the Supplier and Schaeffler is properly conducted communication. For this purpose, modern means of communication shall be used. At Schaeffler's request, the supplier shall also register with communication platforms specified by Schaeffler.

The Supplier must provide the supplied Schaeffler plant with the names of responsible contact persons. The following data must be transmitted:
- Name, position
- E-mail address, telephone and mobile phone number
- Representatives incl. contact details
- Emergency phone

The Supplier must notify immediately of all changes affecting communication (e.g. contact person, telephone number, e-mail address, etc.).

The communication shall be in English. In agreement with supplied Schaeffler plants, communication can also be made in the respective national language.

The Supplier is responsible for complying with any data protection regulations that may apply to the communication of the above-mentioned data and affecting the Supplier.

6.1 Ongoing obligations to provide information

On request, the Supplier must provide the following information for each contracted product:
- Stock information and inventory results
- Any expiration of shelf life
- Replenishment lead time
- Tool data (initial quantity and / or period of tools in use, remaining quantity and / or period of tools in use)
- Status of aligned agreements and actions

6.2 Response time in special cases

When Schaeffler has questions regarding the communication of information to be communicated in accordance with this Logistics Guideline (e.g. regarding inventories, production or delivery status, delivery schedule and changes) the Supplier must respond by the end of the next working day.

6.3 Data exchange / Systems

In order to ensure a rapid data exchange between Schaeffler and the Supplier, data transfers shall normally be performed electronically via a variety of transfer procedures.

Schaeffler uses the Internet marketplace SupplyOn for bidirectional electronic message exchange. In this way, the Supplier can receive call offs, purchase orders, etc. via EDI or retrieve this procurement-relevant information in WebEDI. The Supplier can use the same systems to send messages (order confirmation, shipping notification, invoice) to Schaeffler. Participation of the Supplier in the internet marketplace SupplyOn is therefore a prerequisite for supplying Schaeffler. The use of EDI requires the signing of an EDI contract that regulates EDI-specific details.

Schaeffler currently uses EDIFACT standard formats for data transmission in accordance with the SupplyOn Guidelines (details in the EDI contract).

If the Supplier decides to use the WebEDI solution, data is accessed via the Internet-based web front-end provided by SupplyOn. Details and training are provided separately by SupplyOn. Further modules of the SupplyOn platform, such as the Empties Management System (EMS), should be used at Schaeffler's request.

Any expenses and costs associated with the data exchange or system connection shall be covered by the Supplier.

6.4 Electronically exchanged documents / messages

The following documents / messages will be exchanged with the Supplier using SupplyOn-EDI or WebEDI.

6.4.1 Messages to the supplier

For communication directed to the Supplier, depending on the agreed supply strategy, the following messages will be transmitted:

- Schedule lines (call-offs)
- Orders and order changes
- Credit notes (in accordance with the legal requirements at the respective Schaeffler location)
- Inventory and gross demand information (VMI)
- Packaging Data Sheets

Any further information to be transmitted via EDI will be aligned individually.

6.4.2 Messages to Schaeffler

The Supplier must provide the following information via SupplyOn (WebEDI or EDI):

- Order confirmations (for single orders) considering the agreed reaction time
- Transport notifications, if Supplier is connected to Transportation Order Management System (TOMS)
- Advanced Shipping Notice (ASN). The Supplier transmits an ASN to the receiving Schaeffler plant immediately after departure of the shipping vehicle. The requirement is valid independently of the defined Incoterm.
- ASN for mixed pallets
  - *Several delivery note numbers may not be assigned within one ASN*
  - *A separate ASN and delivery note number must be created for each material*
  - *The invoice must match the ASN*

Combinations:

Delivery unit	**Label**	**Pallet with one delivery note number**	**Pallet with several delivery note numbers**
Pallet with one material number	Master-label (Single Labels if necessary)	**OK**	Not applicable
Pallet with several material numbers (mixed pallet)	Mixed Load Label and Single Labels	**OK**	**Not OK**

Further information on the regulations to be complied with can be found at:

- **www.schaeffler.de/en › Company › Purchasing & Supplier management › Supply chain management & Logistics › Sets of Rules › Schaeffler Global Transport Label**
- **https://service.supplyon.com/schaeffler**

Further information to be transmitted via EDI will be aligned individually in each case.

6.4.3 Transaction data for consignment processing

The data to be exchanged is individually coordinated case by case.

6.4.4 Data exchange in the VMI process

In accordance with the agreed supply strategy the VMI process (Vendor Managed Inventory) may be used. VMI messages are provided by the SupplyOn-VMI solution. The information to be transmitted and the form of transmission has to be agreed in writing between the contracting parties in each individual case.

7. Logistics supplier evaluation

The complete description of Supplier Evaluation is available on the Schaeffler homepage:
www.schaeffler.de/en › Company › Purchasing & Supplier management › Quality › Brochures › Supplier evaluation

The chapter includes the basics of Logistics Supplier Evaluation.

The supplier is not entitled to a specific assessment and cannot derive any claims from the assessment or draw any conclusions with regard to the supply relationship.

7.1 Delivery performance LKZ

Based on the following criteria delivery performance LKZ is calculated regularly:

Abbreviation	Criteria	Weighting
LKZ 1	Date Reliability	40 %
LKZ 2	Quantity Reliability	40 %
LKZ 3 *	Logistics Quality	20 %

* Logistics complaints are the basics for calculation

Calculation formula for Delivery Performance LKZ:

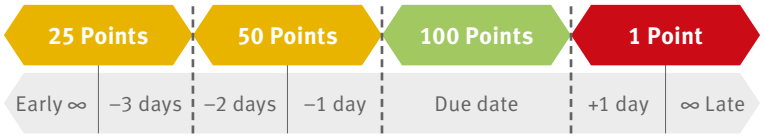
$$LKZ = \frac{0{,}4 \times LKZ\ 1 + 0{,}4 \times LKZ\ 2 + 0{,}2 \times LKZ\ 3}{0{,}4 + 0{,}4 + 0{,}2}$$

Calculation formula for Logistics Quality LKZ 3:

$$LKZ\ 3 = 100 - 1000 \times \frac{\text{Number of quality defect notifications (number of cases) relating to logistics}}{\text{Number of goods inwards items logistics (max. 500)}}$$

For the calculation of quantity and date reliability, the quantity received and the delivery date are compared with the target data of the purchasing document on which the delivery is based during the goods receipt posting.

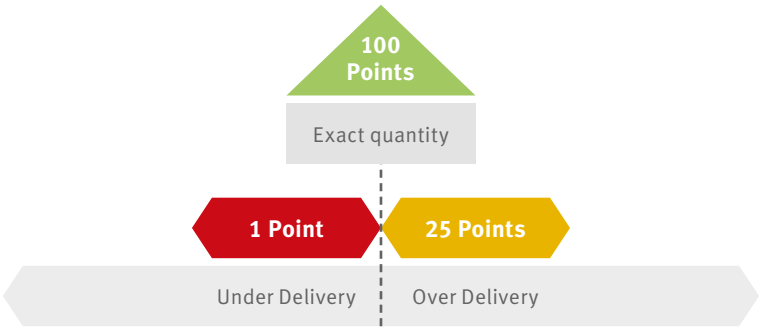
Point scheme for date reliability:



Evaluation logic for date reliability:

Delivery date = Due date	Delivery meets request	**100 Points**
Delivery date early	Not perfect, but production is assured	**50 or 25 Points**
Delivery date late	Production can't be realized as planned	**1 Point**

Point scheme for quantity reliability:



Evaluation logic for quantity reliability:

Delivered quantity = Ordered quantity	Delivery meets request	**100 Points**
Ordered quantity is exceeded	Not perfect, but production is assured	**25 Points**
Ordered quantity is not fulfilled	Production can't be realized as planned	**1 Point**

7.2 Logistics complaints

A logistics complaint is triggered by disturbances in the logistics process caused by the Supplier. These can be, for example:

- Material
  - *Deviation in date and quantity*
  - *Incorrect delivery*
- Information flow
  - *Missing or incorrect shipping documents*
  - *Incorrect or non-executed transport notification, if Schaeffler organizes the transport*
  - *Incorrect or not executed transmission of delivery and transport data (ASN)*
  - *Incorrect or missing labeling (master / single label)*
- Packaging and transport
  - *Non-compliance with the agreed packaging (incorrect or missing packaging)*
  - *Incorrect, defective or damaged packing material / packaging*
  - *Inadequate load securing*
  - *Packing quantity deviates from labeling and documents*
  - *Incorrect, dirty or damaged empties / packaging*

7.3 Consequences of non-compliance with this policy

In the event of non-compliance with the requirements described in this Logistics Guideline, Schaeffler shall be entitled to demand payment from the Supplier for the additional costs and damages caused by the Supplier and incurred by Schaeffler. Schaeffler shall be entitled to determine the amount of the additional costs or damages on the basis of the average time and effort determined for the different incidents (according to the appendix in "Further information on the time required for logistical complaints"). In this case, the Supplier shall be entitled to prove that no or lower additional costs or damages have been incurred. Schaeffler shall likewise be entitled to prove that higher or further additional costs or damages have been incurred.

In addition, Schaeffler may initiate further measures insofar as these are necessary to eliminate or minimize disruptions caused by non-compliance with the requirements described in this guideline.

These measures can be, for example:
- Refusal to accept the shipment
- Repacking of the product
- Disposal costs for packaging that does not meet requirements
- Storage and handling costs (internal or with a logistics provider)
- etc.

The additional costs incurred as a result of the measures initiated shall also be recorded, evaluated and invoiced to the Supplier in accordance with the existing agreements.

Schaeffler is entitled to check the supply chain maturity level at the Supplier itself or through third parties. This includes the execution of
- process audits
- a logistical self-assessment (e.g. Global Materials Management Operations Guideline / Logistics Evaluations › MMOG/LE)

Further information on the time required for logistical complaints can be found at:
www.schaeffler.de/en › Company › Purchasing & Supplier management › Supply chain management & Logistics › Sets of Rules › Average time and effort for logistical complaints

8. Terms of delivery (Incoterms)

Schaeffler exclusively uses Incoterms® of the International Chamber of Commerce (ICC).

Incoterms must be contractually agreed and documented. They are used, among other things, in Purchasing and Master Agreements, Project Agreements, in General Conditions of Purchase, YPSA and in Supply Agreements.

9. Packaging and labeling

The supplier is responsible for the protection and delivery of its products according to the contractual agreements. He shall use proper and suitable packaging. The packaging handbook for Suppliers (see Section 9.4) valid for this purpose must be followed.

Unless otherwise explicitly agreed, both the packaging and, if applicable, the products themselves must be marked in accordance with the agreements made with Schaeffler (e.g. Technical Terms of Delivery) and the applicable packaging and shipping regulations.

9.1 Labels

Unless otherwise explicitly agreed, packaging must be labeled in accordance with the Schaeffler GTL standard, as per the internationally recognized Global Transport Label Standard (Version 3) of the Joint Automotive Industry Forum (JAIF) or with the MAT standard, as part of the VDA recommendations. The exact specifications of the GTL or MAT can be found in the "Schaeffler GTL/MAT Implementation Guidelines".

www.schaeffler.de/en › Company › Purchasing & Supplier management › Supply chain management & Logistics › Sets of Rules

Please note, that all plants where MAT-Label is required are listed in the above mentioned "MAT Implementation guideline (see end of the document "list of relevant plants"). For all plants not listed in the MAT guideline, the GTL is required.

New suppliers shall, unless otherwise expressly agreed, mark according to this standard. Existing Suppliers must convert to this standard. The transition is coordinated between the parties.

9.2 Basic requirements for labeling

When labeling packaging and products the following points shall be observed:
- The labeling must be legible and clear
- Old labels must be removed
- Labels must be applied according to specification
- Labels must be affixed so that they cannot be lost (e.g. by securing with removable residue-free adhesion dots). Further details can be found in the GTL guideline
- Empty small load carriers must be labeled accordingly
- Mixed pallets (different materials on one pallet) must be marked as such
- Only one Schaeffler GTL is allowed per material and package (the marking of different Supplier batches in a package with several GTLs is not permitted)

Also note:
- Existing labeling surfaces or insert pockets will be used if they do not contravene other requirements
- The affixing of returnable packaging materials is not permitted (e.g. shipping label)

All
- Cargo units
- Sub-packaging (e.g. SLC, box)
- Primary packaging (e.g. bag in SLC, box)

must be labeled separately.

Gluing or labeling of customer labels (Schaeffler GTL) with additional labels of any kind (e. g. forwarding labels) is not permitted.

9.3 Requirements for labeling in exceptional cases

In exceptional cases, with the approval of Schaeffler, the products will be labeled with information that cannot be included on the standard label.

The information to be provided in these cases includes:
- Copy of the permission to deviate from specification / special approval issued by Schaeffler
- Note regarding partial or residual shipment
- Labeling initial volume production sample

9.4 Detailed information

Further information on the regulations to be complied with can be found in the Packaging Handbook for Suppliers at:
www.schaeffler.de/en › Company › Purchasing & Supplier management › Supply chain management & Logistics › Sets of Rules

10. Transport, delivery and documents

10.1 General provisions

Following points should be observed when delivering the products:

- The shipments have to be handed over to the freight operator with properly prepared and complete shipping documents according to 10.3.
- When shipping through a forwarding company the delivery note must be handed over along with the bill of lading and must not be affixed to the goods.
- The Supplier must ensure that the delivery notes are handed over along with the bill of lading at the respective Schaeffler plant.
- Acceptance of shipments that do not have the correct shipping documents may be refused.
- Pallets or boxes must not be strapped together for loading.
- All cargo units have to be handed over to the forwarder / carrier in a logistically optimized way.
- Loading (and possibly unloading of the empty goods) must be carried out immediately at the agreed time, but not later than one hour. Delayed clearance and inappropriate loading and waiting times lead to additional costs and may be invoiced. Upon request, the Supplier is obliged to confirm the beginning and end of the vehicle provision on the bill of lading.

F-Clause (e.g. FCA)

- With Incoterm FCA, the Supplier must notify the deliveries to the nominated forwarding company / carrier. A Transport Management System (TMS) specified by Schaeffler has to be used for this purpose if Schaeffler asks the supplier to do so (see Section 10.2). The supplier must plan so that the goods arrive at Schaeffler's incoming goods department on time. For this purpose, the transport time of the forwarder/carrier agreed by Schaeffler shall be taken into account.

D-Clause (e.g. DAP)

- In order to manage deliveries to the plants better and avoid waiting times, some plants use a time slot management system. If requested by the receiving plant Suppliers are obliged to instruct their forwarding agents / carriers to use the respectively communicated system and to book time slots.
- If shipping labels have to be used, these must not be attached on the shipping labels (GTL) specified by Schaeffler. Suppliers are obliged to instruct their forwarding agents / carriers accordingly.
- In general, the use of trucks with box body (truck trailer) is not permitted.
- The calculation of transport and additional transport costs on the Supplier invoice as a separate item is not accepted.

10.2 Transport Management System (TMS)

With the introduction of the Transport Management System at the Schaeffler locations, this system is to be used for transport notification by suppliers for whom Schaeffler is responsible for transport. Suppliers must notify the transport online, currently via the OTM WebApp, as soon as the relevant Schaeffler plant is connected to TMS. Detailed explanations of the Transport Management System and the corresponding process and regulations can be found on the Schaeffler homepage:
www.schaeffler.de/en › Company › Purchasing & Supplier management › Supply chain management & Logistics › Sets of Rules *as well as* **› Shipping and Transport Instructions**

10.2.1 Transport notification logic (Transport Management System)

Schaeffler uses the ABC-rule for transports within Germany. The same rule is also applied to international transports, adjusted for the transit time.

- Day A: Notification of the transport by the supplier (registration for pick-up)
- Day B: Pick-up the goods from the supplier
- Day C: Delivery of the goods at the Schaeffler location
- Day C+n: Delivery of goods at the Schaeffler location for international transports

The transit time within Germany is 24 hours (1 day) with a few exceptions. The transit time within Europe depends

on the agreed transit times of the carriers nominated by Schaeffler. If the transit times have not been explicitly specified, the transit times applicable to you should be requested from your Schaeffler contact.

- Day A (day of notification) does not count towards the transit time
- Day B (pick-up day) does not count towards the transit time

Transport notification with TMS:

- Depending on the transport time, the transport notification in the OTM WebApp must be carried out at the latest one day before providing (pick-up) by 11:00 a.m. (CET) at the latest
- The supplier is not entitled to make specifications to the collecting forwarder with regard to the transport execution (tariffs, service type, fixed date delivery or similar) if the for warder has been contracted by Schaeffler. Notes or requirements for pick-up can be entered in the system during transport notification and thus transmitted to the forwarder (e.g. required pick-up references, access restrictions, notes on time slot booking etc.).
- Bilateral agreements on collection can be made between the supplier and the Schaeffler freight forwarder (e.g. collection times, time slot booking).
- A transport notification after 11:00 a.m. (CET) as well as a missed transport notification are considered as a disturbance.

In these cases, the supplier is obliged to contact the responsible contact person / material planner at the receiving plant (see Sections 4.5 and 4.6) and to coordinate the further procedure in order to ensure the expected delivery date at Schaeffler.

10.2.2 Schaeffler Traffic Desk

Schaeffler Transport Management is available to help suppliers with transport- or system-specific questions, for example regarding cooperation with the freight forwarder, transport-relevant questions and incidents, as well as questions about the OTM WebApp.

You can reach the Transport Management as follows:
E-Mail: OR-HZA-OTM-Transport@schaeffler.com
Phone: +49 (0) 9721 91 1881

If it is a question of order quantities, delivery dates or other issues relating to the delivery as such, suppliers must coordinate directly with their known contacts in the receiving plants (not part of the transport processing).

The same applies if there is a problem on the supplier side to deliver the ordered quantity or to meet the delivery date.

10.3 Shipping documents

The following documents must be handed over upon delivery:

- Bill of lading
- RDT (Remote Data Transmission) goods receipt note (or on demand delivery note in VDA / Odette standard format, if no EDI is agreed)
- If applicable, customs documents with customs invoice
- Other documents required in the order

10.3.1 Bill of lading

In all cases, the terms of delivery agreed to with Schaeffler pursuant to Incoterms as amended shall be specified on the bill of lading and shipping order. The volume of bulky goods must also be indicated.

10.3.2 RDT goods receipt note and delivery note

The delivery note must contain:
- Delivery note number
- Order number
- Supplier number
- Material number (Schaeffler number according to order / schedule agreement)
- Material abbreviation
- Change index (ECV index if available, otherwise drawing version)
- Total delivery quantity
- Number, type and quantity per package
- Gross and net weights
- Unloading point
- Country of Origin according to ISO 3166 ALPHA-2 as long as suppliers are not sending ASN
- In the case of single-variety packages, a separate delivery note must be issued for each material number.
- For mixed pallets (different materials or different vendor batches), a collective delivery note must be created.
- Clear identification of initial samples and mixed pallets
- Separate listing of reusable packaging materials. The packaging material number, quantity and description must be specified for each delivery note. The corresponding data can be found in the packaging data sheet.
- Parts identification and delivery note include Supplier batch (only for batch-managed material)
- BBD (best before date only for parts subject to BBD)
- Serial number (only for parts requiring a serial number)
- The delivery note or collective delivery note numbers transmitted in the notification must be stated on the corresponding invoice

We recommend the use of the shipment document according to VDA 4939 or the SupplyOn delivery note.

10.3.3 Customs documents

The Supplier, if he is an exporter, must promptly make all documents required for customs / import clearance available, in particular commercial invoices, packing lists, freight documents (bill of lading / AWB) origin / and preferential documents.

As far as the supplier is responsible for providing customs documents, the supplier shall be obliged to reimburse import duties which Schaeffler has to bear due to missing customs documents (in particular origin and preferential documents).

The commercial invoices must contain all foreign trade related data, such as
- Customary description of goods
- Value of the goods
- Currency
- Customs tariff no.
- Country of origin
- Weight
- Quantity
- Term of delivery

10.4 Detailed Information

For Schaeffler, further information on the shipping and transport regulations to be complied with can be found on the Internet at the following link:
www.schaeffler.de/en › Company › Purchasing & Supplier management
› Supply chain management & Logistics › Shipping and Transport Instructions

11. Further improvement in the supply chain

In order to ensure competitiveness and support the continuous improvement process, the Supplier is obliged to introduce future (technical) innovations in the field of logistics and supply chain management

- by examining the feasibility and economic viability
- by implementing after consultation with and approval by Schaeffler

12. General provisions

This Logistics Guideline shall be governed by the law agreed between Schaeffler and the supplier for the contractual relationship under which this Logistics Guideline is to apply. If no such agreement exists or no choice of law has been made, this Logistics Guideline shall be governed by the law of the country in which the respective Schaeffler Group company has its registered office. The place of jurisdiction shall be the registered office of the respective Schaeffler Group company, subject to a deviating exclusive place of jurisdiction. Schaeffler may, however, bring legal proceedings against the Supplier at any other responsible court.

Should any provision of this Logistics Guideline be or become invalid, the validity of the remaining provisions shall not be affected thereby. The Parties commit themselves, in good faith, to replace any invalid provision with a valid provision that has an economic result equivalent the original provision.

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