



Corporate Logistics Manual

CLM-001 Rev. 01

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Introduction

The logistic guideline describes the logistics requirements in the supply process for components between HUF production plants and their suppliers.

The compliance of these requirements is an essential element to ensure a high degree of customer satisfaction and to ensure that the demanded logistical quality is achieved. In individual cases some special provisions may be necessary in addition to the requirements and processes described. Such shall be agreed mutually between the respective parties as appropriate.

1 Communication

1.1 Availability

The supplier names a contact person from the logistics department, who should be available during working hours. Additionally an emergency phone number for getting in touch outside of normal working hours and the phone number of the head of logistics should be given. Planned closing times have to be announced in time.

1.2 Electronic Data Interchange (EDI)

In principle the communication between Huf and the suppliers proceeds via EDI. In detail orders of production material, advice notes of delivery, invoices, credits and packaging movements are affected. The supplier is obliged to get and use the requested requirements.

For transmission following formats can be used:

Production plant	Standard format
Huf North America	EDIFACT, ANSI, VDA
Huf Mexico	EDIFACT, ANSI, VDA
Huf do Brasil	EDIFACT
Huf UK	EDIFACT, VDA
Huf Hülsbeck & Fürst	EDIFACT, VDA
Huf Polska	EDIFACT, VDA
Huf Romania	EDIFACT, VDA
Huf España	EDIFACT, VDA
Huf Portuguesa	EDIFACT, VDA



Huf Electronics (Bretten & Düsseldorf)	EDIFACT, VDA
Huf India	EDIFACT
Yantai Huf	EDIFACT
Shanghai Huf	EDIFACT
Changchun Huf	EDIFACT

Following messages will be used:

VDA 4905/DELFOR	call-offs
VDA 4906/INVOIC	invoice
VDA 4913/DESADV	delivery notes and transport data
VDA 4916/DELJIT	production-synchronous call-offs
VDA 4927	packaging movements
VDA 4938/INVOIC	credit voucher procedure

Before electronic data transmission can begin the IT departments of the supplier and Huf define all necessary parameters in a trading partner agreement. Further information are listed under <https://edi.huf-group.com>

2 Planning and Forecasting Process

2.1 Forecast

The forecast shows future needed demands for every part number by supplier. The forecast is a part of the call-off but does not entitle to supply.

2.2 Capacity/ Flexibility

Every supplier is obliged to supervise all needed capacities for production in regard to accessibility and occupancy rate (maximum 15 shifts). Therefore all binding and non-binding demands should be taken into account.

If shortages are noticed, arrangements (actions) have to be implemented which may be coordinated with Huf. For capacity planning it is necessary to regard, that the maximum capacity has a fluctuation of 20% above the average requirement and has to be facilitated within 4 weeks.



2.3 Safety Stock

If a safety stock at the supplier is required Huf will give an information for quotation. The safety stock is not supposed to ensure supplier arrears. The supplier is responsible for an accurate delivery in time and quality and therefore may have their own safety stock. The costs for the demanded safety stock have to be regarded by the supplier in the quotation. If a safety stock is arranged, its physical existence will be cyclically checked as agreed between all parties.

3 Call-off and Order Process

3.1 Logistics Concepts

Huf uses standardized processes for purchasing material. Which logistics concept will be used is depending on the product and the location of the supplier's plant. Following logistics concepts apply:

Logistics concept	Brief description
Standard	Delivery according to call-off Standard warehousing
Consignment	Delivery according to call-off Consignment warehousing
Vendor Management Inventory	Forecast according to call-off and defined min/max component stock Consignation warehousing

If nothing else is agreed the quotation has to base on the logistics concept: Standard.

3.2 Call-offs

3.2.1 Call-off (logistics concept: standard)

Every part number has a separate call-off. Call-offs are transmitted electronically via EDI, E-mail, web-portal or fax to the respective supplier. Every call-off replaces the previous release, which loses its validity. Call-offs are without parts index/revision status. In principle the valid parts index/revision status of the appointed day in the call-off is to be delivered. Usually call-offs indicate a delivery horizon of 30 weeks and reflect daily or weekly deadlines. With the transfer of the first call-off Huf logistics takes over the responsibility for the demands.

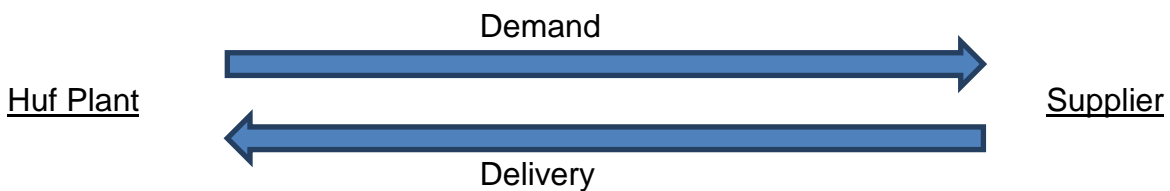
If not otherwise agreed the deadlines mentioned in the call-off show the due date on which the parts have to reach Huf within regular operation hours. The given quantity and deadlines have to be adhered, independent of official and religious holidays, country-specific and supplier-specific constraints (e.g. company holiday). The supplier has to take the corresponding lead time for the registration of the goods with the parcel service provider or forwarding agent into consideration to ensure that the delivery deadline and quantity is observed. The length of transport time is to be requested at Huf. The current valid call-off shows the last considered delivery order number and quantity. Materials in transit have to be considered in the system by the supplier. Therefore reconciliation of cumulative figures is essential. Any delays in delivery or any



impending delays are to be notified immediately to the responsible Huf supplier material planner in written form. Following objection periods apply:

- changes in call-off in the middle- and long-term (more than 15 days before delivery date): 5 days
- changes in call-off in the short-term (less than 15 days before delivery date): 2 days

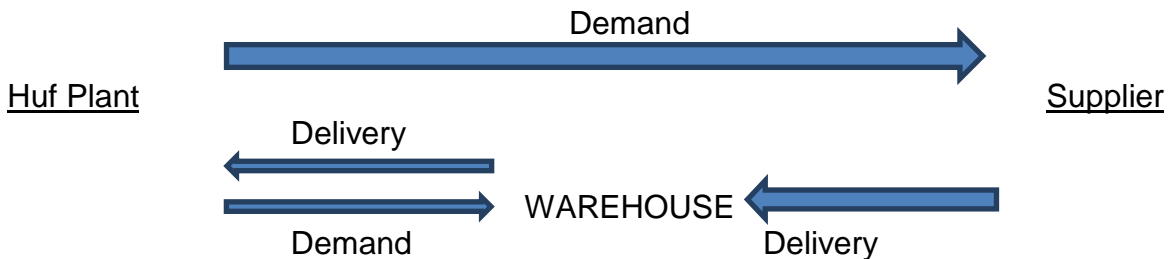
The supplier has to guarantee increasing call-offs up to 15 % of the weekly amount. The cumulated quantity shows the taken-up, cumulated delivery quantities in one year and will be zeroed on the first workday the next year if not otherwise agreed.



3.2.2 Call-off (logistics concept: consignment)

Notwithstanding of the description in 3.2.1 following regulations apply:

The supplier is allowed to over or under deliver a certain amount which is agreed between all parties. The amount is measured by the cumulated quantity required in the respective point in time.



3.2.3 Call-off (logistics concept: Vendor Management Inventory)

Notwithstanding of the description in 3.2.1 following regulations apply:

All deadlines mentioned in the call-off are non-binding and only to use for the forecast. The supplier has to ensure permanently that the stock inventory is between minimum and maximum at any given time. Huf ensures, that the amount of withdrawal does not exceed the quantity in the forecast or that the exceeding of the amount of withdrawal will be absorbed by the previously defined safety stock.





3.3 Part Index/Part Revision

The part index (max. 2 letter combination) is replaced by a 3-digit numerical combination for drawings and parts. The drawing revision status may not necessarily be identical to the part revision status. The first modification to any part changes the previously used part index to the part revision status. The part index "A" corresponds to the revised part status "000", "B" to "001" etc. The corresponding status for the component to be delivered is to be indicated on all delivery documents (delivery note and product label) besides the part number. Should a part number with two different part indexes/revised part statuses be supplied in one consignment, two different delivery note items will become necessary. Also the parts have to be packed separately and be clearly labelled. The part index/revision status is to be documented on the delivery note for each delivery note item in the manner described below:

8-digit Huf part number / part index / revision status

The first time newly revised part is delivered the delivery note has to be labelled additionally with 'Attention, new revision'. The part index/revision status can be seen on the first order or on a modified order. The data transmitted will be processed online in the incoming goods area. Therefore, it is essential to indicate the data on the delivery document in the manner described above. Otherwise, proper acceptance of the goods cannot be carried out. When delivery/ transport data are sent to Huf the declaration of the part index/revision status has to be according to the Huf EDI-Guideline. Product labels must contain the part index or part revision.

3.4 Production/Material Release

The standard horizons can be taken from the footer of the respective call-off.

Production releases are binding orders of manufactured products which have to be delivered at the arranged date. Material releases are purchase commitments of primary material, which is needed for the production of ordered goods.

The periods of production and material releases are fixed in the procurement contract. In particular cases Huf or the supplier can apply for a reduction or extension of the production release period or the material release period.

If Huf cancels the order during production release, without another call-off in the planning horizon, Huf decides about taking the manufactured products or paying the arranged purchase price under the requirement that the supplier has no use for them.

If Huf cancels the order during material release, without another call-off in the planning horizon, Huf refunds the material costs under the requirement that the supplier provides evidence that there is no use for them. In this case Huf has the right to take the purchased material.



4 Transport

4.1 General

Depending on Huf's and the supplier's location either Huf or the supplier is responsible for commission and implementation of transport.

Before a quotation, Huf and the supplier have to agree which Incoterms are used. Independent of the agreed Incoterms (FCA or ex works) the supplier has to consign the forwarder. The forwarder verifies the amount and type of shipment, but not content, weight or value. The agreed Incoterms do not dispense the supplier from providing adequate protection for the parts. It is important not to exceed the maximum stackability level which can lead to damage of goods. In such cases the supplier will cover all related costs.

All consignments with a total weight of more than 60 kg are to be handed over to forwarding companies for national and international shipments. Any commissioning of an intermediate forwarder by the suppliers is not permissible. Exceptions to this are only permissible in justified cases and after prior written agreement. All consignments with a total weight of max 60kg are to be given to the CEP-contractor (Courier, Express and Parcel) assigned by Huf. The weight for every parcel may not exceed 12 kg.

4.2 Responsibility for Transport by Huf (Incoterms FCA)

The Incoterms FCA replaces the old Incoterms 'ex works'.

The supplier is responsible for the punctual registration of consignments at the CEP-contractor or forwarder. The kind of registration is to be agreed with the respective production plant. Additional costs due to false registration etc. have to be paid by the supplier. In case of any delays in picking goods up (e.g. the truck fails to arrive), Huf must be informed immediately.

4.3 Responsibility for Transport by Supplier (Incoterms DAP, DDP)

The Incoterms DAP replaces the Incoterms DDU.

The supplier independently organizes the transport process and is responsible for undamaged and punctual delivery of goods. Also the supplier has to regard regional driving prohibitions to ensure punctual delivery. Customs goods should be delivered to the specified customs agency first and then to the Huf plant.

4.4 Special Deliveries

Special deliveries have to be coordinated with Huf under the declaration of the exact departure time and planned arrival time. The assumption of costs is regulated by the causative principle.

When sending delivery/ transport data, the declaration of special deliveries is to be made according to the Huf EDI-Guidelines.

Required accompanying goods documents are listed in chapter 5.1.



4.5 Delivery of Dangerous Goods

The supplier shall be obliged to make deliveries of dangerous goods in accordance to the law governing the transport of dangerous goods.

The Guidelines of the International Aviation Association (IATA-DGR) are to be observed in the case of transportation by air and the International Maritime Dangerous Goods Code (IMDG) is to be adhered for transportation by sea.

The supplier is responsible to provide the forwarder with all needed dangerous goods documents.

4.6 Provision of Goods

The provision of goods shall be arranged during working hours. Duration of transport and goods delivery time have to be taken in consideration. If the provision of goods does not take place in time the supplier has to inform the customer immediately and has to pay extra costs for special actions.

4.7 Loading/Unloading

Loading and despatch have to follow directly after the vehicle arrives. Proper loading and sorting for different unloading points have to be ensured. The following benchmarks apply for the overall despatching process:

LCL (less than carload) freight up to max. 2.5 t: 30 min

Partial shipments up to max. 11 load metres: 60 min

Other consignments: 120 min

Delays in the despatching process as well as unreasonably long loading and waiting periods can lead to handling problems in the transportation chain. Any additional costs that ensue as a result of any serious overrunning of the above-mentioned times are to be paid by the supplier. The forwarder must get the possibility to return empties and packing material. Additional costs because of temporal or local reasons have to be borne by the supplier. This provision also applies to the delivery of any returns of goods to the supplier.

4.8 Proof of Delivery

Should Huf determine that parcels are missing and/or are damaged in the delivery; the submission of a proof of delivery to the forwarder will be required from the supplier. Upon request, such evidence is to be sent to Huf immediately.

4.9 Supplier shut down

Huf expects that the supplier will be operating during the entire year without having any closure periods and cannot accept earlier shipment to cover the potential closing period. If operating during whole year is not possible, supplier is obliged to prepare in advance all shipments scheduled within the shutdown and send them via defined forwarder to consolidation center. Therefore the supplier has to get in contact directly with the forwarder. If storage costs occur, supplier will be charged directly by the



forwarder. Information about quantity of pallets and weight, which will be consolidated during shutdown period, must be sent in advance to ensure availability of necessary storage space. Supplier is obliged to prepare separate delivery notes and invoices for each shipment according to schedule sent by Huf. In addition to this each shipment must be palletized separately and labeled indicating Huf requested delivery date.

5 Delivery

Every delivery, except manual orders and initial samples, has to be advised electronically.

5.1 Documents

Following documents are required:

- Consignment note for deliveries by forwarders.
- Accompanying documents for deliveries advised with electronic advanced shipping notes.
- Delivery note (DIN 4991/DIN4994) for deliveries without electronic advanced shipping notes.
- Customs documents including certificates of origins.
- Local documents (e.g. China Compulsory Certification)

Manual issued documents are not admissible. The documents have to be given to the forwarder. Only in individual cases delivery notes can be placed on the goods. For special deliveries the accompanying goods documents (consignment note / accompanying note / delivery note) are to be marked in bold letters with "Attention, Special Transport". Special deliveries have to be supplied separately to the series deliveries. Further, the packing (pallets, parcels) has to be signed with a label "Attention Special Transport". If Huf is responsible for the special delivery the Huf special delivery number is to be documented in the delivery note. To ensure a correct documentation of packaging (pallets, small-load carriers, containers, crates, lids etc.), it is necessary to register these with the corresponding Huf identification numbers on the delivery notes. Packing data is to be conveyed in delivery/ transport data according to the Huf EDI guideline.

5.2 Delivery of Goods

5.2.1 Production Material

Generally the delivery is to be effected on single-variety pallets. If ordered low runner goods do not build one loading unit, packages with different material numbers can be packed together. It is required to clearly mark the packages and that only one unloading zone is given.

A loading unit must comply with the following conditions:

- Loading unit total height max. 1 m
- Full goods weight for each package max. 12 kg
- The total weight of a loading unit may not exceed 550 kg



To ensure flawless quality the supplier is responsible for undamaged packaging. Packaging in terms of bulk material is only permissible if product damages are excluded. Huf reserves the right to send back early or over deliveries. The opening period of the goods receipt at different Huf production plants have to be considered. If goods cannot be identified, they will be sent back or they will not be accepted.

5.2.2 Raw, Auxiliary and Consumable Materials

Raw, Auxiliary and consumable material is ordered in two types of orders:

- system-initiated orders
- manually-initiated orders

System-initiated orders are fundamentally triggered with an open order number (contract number) and an associated Huf parts number. Every manually-initiated order is provided with an order number. This number is fundamental for a proper, system-initiated and internal transaction. Every single order is to be delivered with the corresponding order number on a separate delivery note. Multi position delivery notes are not permissible. If additional documents (measurement reports, test certificates etc) are required they have to be added to the documents.

The usual delivery policies apply for all deliveries of raw, auxiliary and consumable materials.

5.2.3 Initial Samples

Initial samples have to be delivered as an own consignment and have to be supplied with a separate delivery note that shall visibly carry the marking initial samples. Initial samples are to be sent together with the initial sample test report and the associated documents to the location mentioned in the order text. The recipient should also be listed.

Should the initial sample test report already have been despatched in advance by email/fax, then such has to be mentioned on the delivery papers. Any missing initial sample documentation will lead to a negative supplier evaluation. Initial samples without any initial sample documentation will not be processed.

6 Packing

6.1 General

Deliveries shall be fundamentally carried out in the packing appointed by Huf.

All objects that may interfere with scanning the packages have to be removed before dispatch. (e.g. banding, loose paper, corrugated)

Quality impairment of goods through dirt, moisture or other influences shall be prevented. Therefore e.g. reusable lids can be used. In case of using protective covering foils or sheeting, attention has to be paid to their recycling capability.

If packages are not available for parts delivery the supplier has to ask for a special release.

In case of palletising, stackable loading units have to be built. Incomplete units have to be filled up with empties. Finally and if necessary, loading unit closing securing sections



to safeguard the consignment on the pallets are to be attached.

Tightening strap systems (hoops) may only be manufactured out of recyclable, environmentally-friendly plastic materials (no steel strip). These systems have to be selected and deployed in such a way that the possibility of any damage to the packing can be excluded.

For international consignment with wooden packages the supplier has to regard the International Standards For Phytosanitary Measures No. 15 (ISPM15) of the International Plant Protection Convention (IPPC) and all regional demands. If necessary the local production plant can be asked for information. All the required information according to article 33(1) of EC regulation 1907/2006 (REACH SVHC reporting) for used packaging must be provided by IMDS (International Material Data System) for all deliveries to European production plants. The corresponding information which are not reported in IMDS (e.g. packaging), must be sent to reach@huf-group.com.

Provided packages by Huf are not to be used in internal processes of the supplier, just for the consignment process and the transport between the supplier and Huf. If the supplier wants to use the provided packages in his own production process, he has to ask for allowance. Consequent additional costs have to be paid by the supplier.

The Huf identification label may not be removed, pasted over, scratched or written on.

6.2 Packing Definition

One-way packages and reusable packages in terms of universal and special packages exist.

6.3 Packing Conditions

Ahead of quotations it is to be agreed if one-way or reusable packages will be used.

6.3.1 One-way Packages

If one-way packages are used, the costs are borne by the supplier and have to be considered in the quotation. If additional costs for transport protection of parts (e.g. immediate layers), handling parts (manual/automatic packing), storage place for packages etc are necessary, they have to be considered in the quotation.

6.3.2 Reusable Packages

Huf bears the costs for purchase, maintenance and if necessary conversion of reusable packages. Huf also coordinates development, purchase and conversion of reusable packages. The amount of empties for every packing suggestion will be calculated by Huf.

Suppliers that deliver very few KLTs as a result of low call-off quantities/few call-off cycles or high packing density shall not receive any receptacles back via the usual return transportation scheme for empties. In such cases Huf shall bear the costs for new procurement of packing, a process that shall be effected by the supplier. The list price of the cheapest manufacture will be refunded. This option will be checked by Huf in individual cases, therefore there is no need for the supplier to act immediately.

The return transportation costs of empties are paid by Huf.



6.4 Selection of packages

The packages are to be newly determined in coordination with Huf for every new part. The supplier sends a packing proposal in written form which will be checked from a qualitative and quantitative point of view and, if required, a sample packing has to be provided. The packaging agreement will be documented in the Huf packaging sheet and is approved after the supplier receives written confirmation.

If necessary electronic components have to be sent in suitable ESD packages.

6.5 One-way packages

For the use of one way packaging the focus should lie on necessity without compromising quality. One-way packaging is ideally modular and adapted to suit VDA KLT traffic. Cardboard boxes with a base area of less than 600 mm x 400 mm have to be fitted into standard packages. Environmentally-compatible recycling materials are to be used for all one-way packaging i.e. materials that are widely-accepted for recycling processes.

Material combinations and/or compounds are to be avoided or reduced to an absolute minimum and have to be simple to separate after use (e.g. iron clips or nails in wood).

Material recommendations:

<u>Type</u>	<u>Permissible material</u>	<u>Impermissible material</u>
Plastics	PE, PP (with PE foil max. 5% of surface printed) PE, PP, PS foam material PP hoops (Plastics marked as per DIN 6120)	Plastic mixes, rubber compounds, metal-plastic compound foils, incompatibly-impregnated and VCI foils, polyamide and polyester hoops
Cardboard boxes	Must be free of hazardous materials used in paper production	With water-insoluble coatings or adhesives
Anticorrosion paper	VCI papers that are evidenced as being recyclable in combination with paper/cardboard (VCI: volatile corrosion inhibitor)	Paper with incompatible admixtures (e.g. bitumen, oiled and waxed paper)
Wood	Untreated solid wood, plywood, wood shavings	Particle board, impregnated, coated or varnished wood



6.6 Reusable packages

Reusable packages should be used instead of one-way packages, if that involves ecologically and economically advantages. The use of special load carriers is only permitted if other load carriers cannot be used for this product.

6.7 Change of Packages

Changes of packages have to be announced in written form. After checking the request Huf decides about a new/varied package. If packages have to be changed because of part changes the costs have to be considered in the quotation for the changed parts (tools, pallets).

6.8 Marking of Goods

All goods have to be marked with a single label pursuant to VDA 4902, ODETTE or global transport label. Furthermore packing units have to be labelled with a master label pursuant to VDA 4902, ODETTE or global transport label. All labels should be affixed with residue-free adhesive stickers which won't peel off during transportation. When attaching the label, it has to be ensured that the previous label is removed or obliterated. No adhesive labels may be attached when reusable packages are used. The labels are to be affixed to each package in such way that they are always easily visible on the same side even in the case of multi-stacking, delivery of several pallets, crates, etc. If labels cannot be placed on the packages, an alternative identification has to be adjusted and carried out.

For individual parts a product labels will be required. The costs have to be regarded by the supplier in the quotation of the piece price.

6.9 Cleaning of Packages

Packages with contaminations like chippings, dust, oil, fat etc have to be cleaned on behalf of the owner. The costs will be distributed by causative principle.

6.10 Storage of Packages

Empty packages have to be transported and stored inverted to avoid redundant contamination. Misappropriation of empties is not permitted. Packages of different sizes may not be mixed or convoluted.

6.11 Packing Account

The agreed packing terms have to be adhered to. The supplier has to have an inventory management for packages and empties. All delivered packages, pallets and lids have to be registered.



6.12 Purchase of Packages

The supplier and Huf have to coordinate if empties will be provided automatically or just by punctual written order.

6.13 Inventory of Packages

6.13.1 Due Day Inventory

At the end of a year the supplier has to do an inventory of packages. The date to every due day inventory is set different every year. Necessary documents with deadlines will be transmitted punctually. In special cases Huf will submit the monthly or quarterly account balance for the respective empties to the supplier which have to be checked. The supplier has to notify Huf in case of deviations within 1 week. If no complaint is provided the account is considered accepted.

6.13.2 Intermediate Inventory

If inventory differences lead to shortages, an extraordinary inventory will be necessary. The supplier may be informed.

6.13.3 Charges

When the supplier is responsible for existing inventory differences, he has to bear the costs for replacements.

7 Breakdown of Costs

7.1 Quotation

Part- and Logistics costs have to be separated in the quotation which is submitted to Procurement. The part price includes all handling costs (packaging, labelling, loading), all quality protection action costs (cleaning packaging, label removing, rust-proofing, transport protection), safety stock costs (to ensure delivery in time) and all logistics document costs.

The logistics price includes costs for the elements consignment, vendor management, packaging (one way or reusable), safety stock (required by Huf) transport and duty.

All elements have to be separated listed. A calculation is only necessary if one of these elements is required before quotation.

7.2 Invoice

Part and Logistics costs (element by element) must be separated on every invoice.



8 Supply Parts

Supply parts are parts, which Huf provides cost-neutral. The parts are Huf's property during the whole manufacturing process.

8.1 Return Delivery of Supplied Parts

8.1.1 OK Parts

Return deliveries of OK supplied parts are to be delivered to the incoming goods area at. Return deliveries are to be supplied separately on a special delivery note in accordance with DIN 4991/DIN 4994. The information "Return Delivery of Supplied Parts" is to be marked clearly on the delivery note. Further, following information is to be added:

- Reason for the material return(e.g. over-supply, incorrect supply, material return request)
- Huf part number/ parts index or revision status/ number of units
- Huf incoming delivery note number, to be taken from the VDA single label if available
- responsible Huf staff member (planning/control clerk)
- Perhaps remark: forward to....(name, department)
- Packing data according to packing instructions

8.1.2 Not OK Parts

Return deliveries of processed, unprocessed, unassembled, partially as per production plan. Assembled not OK parts are to be supplied under a special delivery note in accordance with DIN 4991/DIN 4994 and are to be delivered to the incoming goods area. The information "Not OK Parts" is to be marked clearly on the delivery note. Besides the standard information (Huf part number/ index or revision status/number of units), the following details have to be added for each error pattern and part number:

- Perpetrator: (Huf or partner)
- Description of the error pattern
- Reference to Huf quality report (optional, if available)

If it is agreed about not returning not-ok parts, the delivery note still has to be sent to Huf. The supplier has to keep the not-ok parts for 5 days after the delivery note has been sent. During this period Huf may request the not-ok parts. When returning parts the packing data has to be added to the delivery note.

OK and not OK Parts are to be supplied on/in separate consignment carriers and to be marked quite visibly as returned deliveries

8.1.3 Supply Transport Data – Electronic Data Interchange

For the return delivery of OK and not OK parts there is no entry and recording of the supply transport data. As a consequence, no data concerning these parts is to be transmitted via EDI and no accompanying goods document may be used.



8.2 Parts Stock Management

All supply parts are liable to perpetual stocktaking. The supplier is obliged to control the stock based on request and send the results to Huf.

8.3 Due Date Inventory

Next to the perpetual stocktaking a due date inventory has to be performed. Thereby current stock data is transmitted by Huf, which the supplier has to confirm or correct.

9 Miscellaneous

9.1 Origin of Goods

The supplier is undertaken to provide information on the origin of the goods supplied in the form of a Supplier Declaration as per VO (EG) 1207/01. The declaration should also include the classification of imported goods according to customs duty tariffs (CN Code) and is to be submitted before commencement of the series supplies. An annually update is requested.

9.2 Return Delivery of Faulty Parts

Suppliers shall be obliged to pick up faulty goods at their own cost and risk within three working days of the quality report being sent. Exceptional arrangements may be made by Huf in some individual cases. Should the faulty goods not have been picked up within 3 working days, Huf shall arrange for the "carriage forward" return shipment as package freight by the transport company prescribed by Huf. Should the return transport be carried out generally by the transport company deployed by Huf, then such has to be agreed bilaterally between the parties.

9.3 Manufacturer of Goods/Production Material

If the supplier sells production parts or production material from multiple manufacturers the information must be part of the delivery document and the Advance Shipping Note, if DESADV D98A Format is used.

10 Logistical Supplier Evaluation

Supplier performance includes the value for delivery performance, special transport and complaints for incorrect deliveries. The measurement will be done monthly. Detailed information for this process and the escalation process can be taken from the corporate supplier manual.



Approval

Velbert, 30th June 2015

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