

Logistics Guide



Company

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1. General Information

Kieback GmbH & Co. KG is a company that operates globally.

The high quality standards of our products are the basis for the company's success. By passing on the quality requirements to our suppliers, it is ensured that the requirements are taken into account at an early stage in the production of the products.

This guideline for logistics ensures that the connection to the supplier is subject to standardized regulations. An overview of the requirements of the company Kieback GmbH & Co. KG are handed over to the supplier's logistics department. This overview describes qualitative, scheduling and cost-side safeguards across the entire supply chain.

This guide ensures the following points:

- Timely supply
- Quantitative supply
- Economic efficiency
- Standardization on the subject of parts protection
- Standardized processes and their specifications

At the beginning of the inquiry, this Logistics Guide is sent to the suppliers, so the supplier agrees to comply with the following regulations on the design, planning and development of the concept of logistics.

The following requirements apply solely to the entire business area of Kieback GmbH & Co. KG. Special regulations for certain projects can be supplemented so that all requirements of OEM's are met. Deviations or additions shall be agreed in cooperation with the supplier and recorded in writing.

In case of problems or possible improvements at the supplier, the company Kieback GmbH & Co. KG is free to carry out audits on site and in consultation with the responsible persons of the supplier. The aim of these audits is to achieve continuous improvement in the areas of quality performance, delivery performance, collaboration and flexibility.

2. Exchange of Information

In order to maintain the high quality of our products, a functioning exchange of information must prevail. The exchange of information is the basis of successful order processing between Kieback GmbH & Co. KG and the supplier.

Successful cooperation can only succeed if all agreements and rules are made and described in advance. In addition, the supplier is required to report facts relating to processes, changes, capacities and bottlenecks to Kieback.

The company Kieback GmbH & Co. KG requires its suppliers to reveal opportunities and findings regarding potential savings, process optimization and general improvements. The work is carried out together through active exchange.

In the course of concluding the contract, the supplier is required to submit emergency plans to Kieback (e-mail: verkauf@kieback.de) as quickly as possible. This emergency planning is on the one hand a standard requirement and on the other hand a customer requirement.

Reachability

The supplier's main contact person is obligated to be available on workdays between 8:00 and 5:00 pm. Due to the shift operation that is carried out at Kieback, it is indispensable to provide an emergency number that can be reached 24 hours a day.

Escalation requests "urgent"

Feedback regarding escalation requests such as supply bottlenecks must be provided **within one hour at the latest**. Should the Supplier not be in a position to make a final statement at that time, the current state of information is to be communicated. If delivery problems persist for a longer period of time, a plan must be drawn up in which the reduction of backlogs is described.

Deviations in Deliveries

This refers to deliveries that do not meet Kieback's requirements in terms of both deadlines and quantities. The supplier is responsible for contacting the logistics contact person in the event of any expected delivery bottlenecks.

The contact person of Kieback has the duty to inform the supplier of the required quantity of the additional material and the delivery date. Within two working days, the supplier must provide the contact person with the necessary information as to whether the required quantity can be delivered on time. If this is not the case, the supplier and the contact person of Kieback must agree on partial quantities or an alternative delivery date. If no feedback is received from the supplier, the quantity discussed and the deadline will be considered accepted.

Supplier evaluation

The evaluation of the supplier's performance with regard to quality, adherence to schedules and quantities, as well as cooperation, frequency of special trips and the available certificates in the areas of quality, occupational health and safety and environmental protection are taken into account in supplier monitoring. The results of the monitoring shall be communicated to the supplier at the end of the year. Should there be deviations within the evaluation, the supplier must define suitable measures and check their effectiveness. These results must be communicated to Kieback as soon as possible.

Requests for general information must be processed by the supplier within one working day. An absence management rule must apply in the case of holidays and illness. There must be an additional person to contact for each contact person.

Coordination Meetings

In the case of coordination meetings with the supplier, the latter is obliged to participate in the appointment if changes or problems occur. Participation can take place via Skype or face to face.

Company Holiday for Suppliers

Contact must be established with Kieback when the supplier is on holiday. The communication with the logistics contact at Kieback ensures that call-offs can be arranged in advance and that the delivery is not interrupted within a certain period of time.

Privacy Issues

The supplier and Kieback undertake to keep any requirements and specifications made as well as the corresponding documents confidential. Also see the Kieback confidentiality agreement.

3. Ordering process

Two ordering processes are used at Kieback. The first process is initiated by a forecast delivery schedule and the second by an order. See also here chapter 3.1 and 3.2.

The dates stated in the call-offs or in the purchase orders are the dates of receipt of the goods at Kieback. The orders and call-offs of the deliveries are to be regarded as legally binding. Therefore no written confirmation of the order is required. The orders are generated by the company Kieback in SAP and sent by e-mail to the responsible employee of the supplier.

3.1 Delivery schedules

Delivery call-offs are called off in advance in the form of a framework agreement. The contract regulates certain conditions, delivery quantities and other specifications. Within the specified period, Kieback has the possibility to call off the required products / materials according to specified conditions at irregular intervals.

The demand planning takes place in the purchasing department of Kieback and is immediately converted into orders. Delivery schedules are selected as the ordering process if the necessary quantities are planned in advance by the vendor and are not subject to major fluctuations.

Delivery call-offs are to be seen as binding precise daily, weekly or monthly demand forecasts. Delivery call-offs are subject to constant revision and updating. This is due to the fact that the Kieback company must adapt to the needs of OEM's. Thus the last delivery call-off sent in each case is binding and replaces the previous one. A separate order confirmation does not take place.

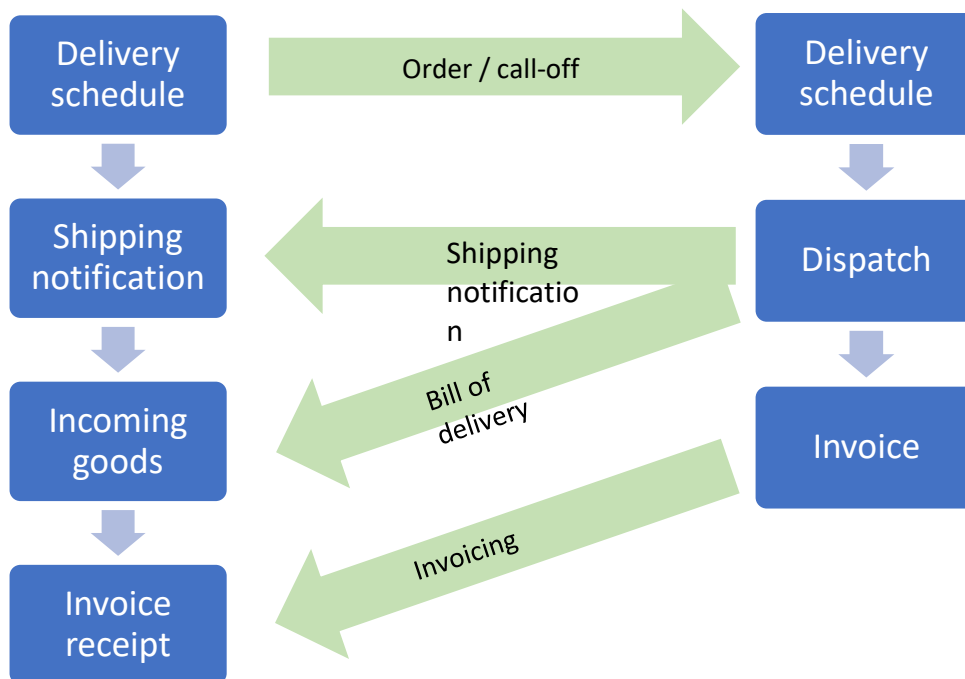
Purchase commitments on the part of Kieback GmbH & Co. KG shall be agreed separately. The basis of the purchase obligation is the framework agreement between Kieback and the supplier.

3.2 Single orders

This type of ordering process is used to procure products or materials at irregular intervals, quantities, and conditions. For individual orders, Kieback makes reference to previous quotations from the supplier.

Regulated delivery schedules are to be preferred over the placing of individual orders. This regulation only applies if the products to be delivered and the supplier's logistics permit it.

3.3 General procedure



4. Shipping process

4.1 Labeling of the loading unit

The supplier is obliged to mark all shipping units by means of shipping labels. These labels are to be filled in completely and accurately. Furthermore, they are to be placed securely and visibly on the loading unit. For disposable pallets and roll goods, the label must be put on the front side.

Each loading unit, each container and each individual package must be marked. Non-relevant markings / labels must be removed before shipment. It must be possible to easily remove the fixation of shipping labels on returnable packaging without leaving any residue. Sufficient fixation must nevertheless be ensured.

Separate rules with regard to marking the goods are to be discussed with the logistics contact person.

4.2 Shipping documents

The supplier is responsible for properly filling in delivery documents. An inbound delivery that does not meet the requirements cannot be booked.

The following shipping documents shall be sent to the personnel at incoming goods when the delivery is made:

- Bill of delivery
- Loading certificate if applicable (if loading equipment is in use)
- Consignment note if applicable (outside Germany)

Parts for initial sample inspection shall be listed separately on the delivery note. In addition, the delivery note must contain the following items:

- Order number (order number / call-off number)
- Complete part number
- Full product name
- Delivered quantity
- Batch number
- Number of loading items delivered (pallets, racks, cartons, crates)
- Contact person of the supplier
- Weight
- Delivery term

For suppliers with headquarters outside the EU, additional information is required, such as customs tariff number and name of the country of origin. For further required documents see also chapter 4.6.

It must also be ensured that a legible copy of the delivery note is attached to the consignment note.

4.3 Mixed pallets, Special cases

In the case of several pallets, cartons or containers which are delivered as a complete delivery in the incoming goods department, these must be clearly assigned to a delivery note.

Mixed pallets

If the ordered goods are delivered on mixed pallets, the delivery requires an exact marking. A label with the inscription "mixed freight" must be attached to the goods in DIN A4 format.

Special cases

The following list of special cases must be subject to a separate marking when shipping.

- Deliveries with special approval
- Trial orders

The goods are marked with a DIN A4 size label attached to the goods and provided with one of the points listed.

4.4 Delivery times

Delivery times are clearly specified at Kieback GmbH & Co. KG, they are limited to the hours between 6:00 am and 10:00 pm. Deliveries outside the specified times are only possible in special cases, and must be arranged with the contact person for logistics at Kieback GmbH & Co. KG in advance. If these points are not taken into account on delivery, the result will be that the goods cannot be unloaded.

4.5 Delivery on schedule

For the goods which are delivered "free domicile" a punctual and proper arrival is required by the Kieback company. The supplier shall be fully responsible for the delivery. In addition, the supplier is required to provide information on the whereabouts of the goods at all times if requested to do so by Kieback.

For goods which are offered "ex works", the supplier is responsible for punctual and complete preparation. In addition, they assume full responsibility for ensuring that loading is carried out properly. If no other agreements have been made, the supplier is also responsible for the correct and timely notification of the forwarder. The supplier is required to ensure that the goods arrive on the specified arrival date and that notification is given in a timely manner.

In the event of production stoppages, Kieback reserves the right to postpone or completely cancel deliveries on short notice.

4.6 Customs

Origin of goods

If the Supplier owns their production site and / or headquarters within the European Union, the supplier is obliged to issue a supplier declaration in accordance with Regulation 1207/2001 of the European Community.

Information obligation

In addition to the documents described in Chapter 4.2, the shipping documents must take into account other points when the customs clearance is carried out by Kieback.

- Invoice
- Delivery papers
- Certificate of origin
- Preference certificate
- Export documents

Non-EU suppliers

Customs clearance shall be carried out by the supplier unless separate arrangements are made. For the border crossing, the supplier is requested to procure the required documents independently. The costs arising from this procurement shall be borne by the supplier. These documents must be enclosed with the consignment.

4.7 Special trips

This section refers to the journeys that are caused by faults in the supplier's production or delivery process. These trips serve to avoid supply gaps and are called special trips.

The supplier is responsible if no other arrangement has been made by Kieback in advance. The costs arising from these special trips must be borne by the responsible party.

The IATF 16949:2016 standard stipulates that special trips that are carried out must be marked separately on the delivery note. Thus the supplier is obliged to carry out this marking.

5. Packaging

5.1 General Information

The packaging, quantity per package, and batch size of the delivery must be clarified in a timely manner before the start of a series delivery, taking into account the requirements of logistics, quality assurance, the environment, and economic efficiency. This clarification takes place in a very active exchange between the supplier and the logistics contact at Kieback.

Packaging proposals must be submitted by the supplier and must be limited to the packaging materials listed below. The contact person at Kieback will give you instructions on how to package the materials or products. Always taking into account that the smallest possible packaging unit is selected. The number of products per package is also adhered to. Special arrangements can be discussed with the logistics contact person. It is essential to clarify the planning of the packaging before the start of the SOP. In order to optimize the planning it is important that the supplier starts with the planning as soon as the order is placed.

In case the standard packaging is not available, an alternative packaging must already be included in the planning.

The following types of packaging are possible:

- **Cardboard**



- **Racks**



- **KLT's (Small load carrier)**



- **Lattice boxes**



- **Metal boxes**



- **Euro pallets**



- **Disposable pallets**



The size of the packaging units must be clarified with the logistics contact at Kieback.

The following points must be considered in addition to the type of packaging:

- Delivery of parts always without damage
- Pay attention to economic efficiency
- Optimum utilization of container capacity
- Reduce filler to a minimum to secure products (as much as necessary, as little as possible)
- Securing transports
- Protection against contamination
- Unloading with forklift trucks must be possible
- Ergonomic and easy removal of products / materials
- Material used must be recyclable
- Reusable packaging must be given preferential treatment
- Label
- Use containers and other packaging only when clean

The Supplier therefore undertakes that the above points and the packaging instructions drawn up in the planning will be taken into account.

In the event of a deviation from the packaging instructions, the supplier is obliged to report to Kieback on the nature and manner of the deviation and to obtain a clearance in this respect.

The supplier is responsible for the delivery condition. The supplier shall be liable for any reduction in quality due to the use of wet or dirty packaging.

Kieback GmbH & Co. KG reserves the right to make any changes to the product without notice if incorrect, damaged or dirty containers are used and reserves the right to charge the supplier for the costs incurred by repacking or repair.

5.2 Environment

For the sake of the environment, Kieback endeavours to use mainly reusable packaging for the shipping of products and materials. We also require this effort from our suppliers.

The following charges are possible:

- Returnable pallets
- Lattice boxes
- Metal boxes
- Racks
- Small load carriers (KLT)

5.3 SLT (special load carrier)

If products or materials do not allow the use of standardized containers, special containers are used. These are specially manufactured for shipping these products or materials.

The supplier is required to obtain approval for the use of these load carriers. Costs arising from the construction of these special load carriers shall be borne by the supplier.

The supplier is the owner of these load carriers, so the containers must be labelled.

5.4 Disposable packagings

This type of packaging is to be avoided in general, should this not be possible, a specific reason should be given to the Kieback company.

5.5 roll goods

The vertical transport of roll goods must always be avoided. If no horizontal transport is possible, the supplier is obliged to contact the contact person at Kieback.

6. Empties processing

6.1 Costs for the return of empties

If no separate rule has been agreed between the supplier and Kieback, the return of the empties shall be carried out as follows:

The Kieback company organises the transport of empties to the supplier on delivery terms "ex works".

The supplier organizes the transport of empties on " free domicile " terms of delivery. For example, by direct exchange (full delivery of goods) of the containers or other specified arrangements with Kieback.

6.2 Handling empties

Cleaning of containers

Products and materials must always be transferred in clean and functional containers. Kieback GmbH & Co. KG also undertakes to use only usable transport containers.

Containers are sent broom-clean, without old labels and remaining parts.

The monitoring takes place at incoming goods and is carried out by a Kieback logistics employee. If, in the event of any non-conformities, and containers are returned dirty from the supplier, Kieback reserves the right to transfer any costs arising from the cleaning to the supplier.

Defective empties / repairs

The containers are monitored for defects by an employee from the logistics department in the incoming goods. Here, too, no load carriers may be used that do not function properly and contain defects. Only Kieback may sort out the defective empties.

If defective loading equipment appears at the premises of the supplier, the supplier is obliged to mark it and to return it in consultation with Kieback. Costs for the repair or the renewed procurement are borne by the responsible party.

Kieback containers may only be scrapped by the Kieback company. The supplier is not entitled to this option. Otherwise, the Supplier shall be charged the full costs of the new procurement.

Using load carriers for other purposes

The supplier is not permitted to use Kieback containers in any other way outside the series. Costs incurred due to damage, repairs and new procurement shall be borne in full by the supplier. Should there be a shortage of containers due to other use, these costs shall also be borne by the supplier.

7. Appendices

- Appendix 1: **Recognition of the Logistics Guide**
- Appendix 2: **Quality Assurance Agreement (QAA)**
- Appendix 3: **Non-disclosure agreement**
- Appendix 4: **Conditions of purchase**
- Appendix 5: **Sustainability guideline**

Appendix 1: Recognition of the Logistics Guide

We hereby confirm that we have read and understand the Logistics Guide of Kieback GmbH & Co. KG and accept it.

Place / Date

Supplier / Company stamp

Signature

Please complete this page and return it by e-mail to: n.vossel@ksg-mobility.com

Or send a filled in copy of this page back to :

Kieback GmbH & Co. KG
Dept. Purchasing
Kiebitzheide 2-4
D-49084 Osnabrück, Germany

Appendix 2: Quality Assurance Agreement (QAA)

See also applicable documents. If the "Quality Assurance Agreement (QSV)" is not available, the purchasing department of Kieback GmbH & Co. KG is to be contacted. (Tel.: +49 (0) 541 95 70 6 26).

Appendix 3: Non-disclosure agreement

See also applicable documents. If the "non-disclosure agreement" is not available, the purchasing department of Kieback GmbH & Co. KG is to be contacted. (Tel.: +49 (0) 541 95 70 6 26).

Appendix 4: Conditions of purchase

See also applicable documents. If the "Conditions of Purchase" is not available, the purchasing department of Kieback GmbH & Co. KG is to be contacted. (Tel.: +49 (0) 541 95 70 6 26).

Appendix 5: Sustainability guideline

See also applicable documents. If the "Sustainability guideline" is not be available, the purchasing department of Kieback GmbH & Co. KG is to be contacted. (Tel.: +49 (0) 541 95 70 6 26).

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