

# General logistical agreement

Made between

POLYTEC ....

... ..

- referred to as POLYTEC hereinafter -

and

*"firm"*

*[address]*

- referred to as the SUPPLIER hereinafter -

## Forward

The present logistical requirements represent the demands that are made on the SUPPLIER for ensuring reliable supply. The requirements are the minimum standards that are binding on all SUPPLIERS and they must be fulfilled when the supply of mass-produced articles is supplied at the latest. The SUPPLIERS are responsible for applying the requirements in the sense of analysing themselves and taking suitable measures in order to permanently ensure that the demanded supply is reliable. Furthermore, the SUPPLIER is also responsible for ensuring that his own SUPPLIERS deliver the primary materials and that the upstream SUPPLIERS will also apply the requirements that are mentioned in this agreement.

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## 1. Principles

### 1.1 Purpose and scope

The present logistical agreement defines the standardized rules for all of POLYTEC's SUPPLIERS. This agreement's objective is to support the smooth flows of materials and information between POLYTEC and its SUPPLIERS, in order to prevent interruptions in the processing sequence of the value-added chain. Furthermore, this agreement is intended to aid continuous development of the achieved quality, the supplier's performance and cooperation with the SUPPLIERS. It also defines the procedure in the case of divergences as well as the responsibilities for complying with these rules.

### 1.2 Validity and area of applicability

The logistical agreement establishes the general regulations that are standardized for all SUPPLIERS, insofar as nothing divergent is regulated. Solely POLYTECH is allowed to make alterations to this agreement. The respective provisions of POLYTECH's conditions of purchase (conditions of purchase for materials in the production, or conditions of purchase for machines, equipment and operating resources, or both), or other agreements that are made in the outline (basic) contracts or individual contracts, will remain utterly unaffected by applying all of the rules that are listed in this agreement.

This logistical agreement's regulations apply in the case of discrepancies between this logistical agreement's regulations and the conditions of purchase for materials in the production or the conditions of purchase for machines, or both, or regarding the logistical requirements; the conditions of purchase's regulations for materials in the production or the conditions of purchase's regulations for machines, or both, apply in all other cases. The regulations of the agreements that are made between the parties in the outline contracts or individual contracts apply in the case of discrepancies between this logistical agreement's regulations and the agreements that are made between the parties in the outline contracts or individual contracts.

### 1.3 The SUPPLIER's responsibility

The SUPPLIER is responsible for complying with the logistical requirements that are formulated in the following text and he has to ensure that his sub-SUPPLIERS, i.e., subcontractors, will also fulfil them.

POLYTEC must designate direct contacts with representatives for coordinating the logistical handling, who will give competent and reliable information and who are authorized to make decisions. These contacts must always be reachable during the times, i.e., hours of business, of POLYTEC's incoming goods department. Any shortage of supply that has to be expected on account of divergences from the quantities and delivery dates must be immediately notified to POLYTEC's scheduling department, subject to giving information about the reason and mentioning the adjusted delivery schedule with binding delivery dates. If the information cannot be provided directly, then a deadline for providing it must be agreed with the contact. In addition, suitable emergency-call telephones must be set up outside the hours of business. Furthermore, the SUPPLIER has to clearly stipulate the decision-making authorization for introducing special measures (e.g., special transport, etc.), as well as ensure that these persons are always available and he must notify them to POLYTEC. The SUPPLIERS are solely responsible for complying with the delivery dates, which will apply as confirmed if we do not receive a written contradiction within 2 working days.

### 1.4 Communication

Commercial language: German; alternatively English.

Exchange of information: by e-mail and telephone,

Exchange of data: electronic data exchange or data telecommunication. Alternatively, e-mail (the SUPPLIER must give a suitable e-mail address. The SUPPLIER is obligated to ensure that the stated e-mail address is continuously available).

## 2. Scheduling and exchange of data

### 2.1 Range

The range of POLYTECH's stocks of goods on hand covers the next called-forward quantity that still has to be supplied, irrespective of the procedure for call-forward notices.

### 2.2 Ascertainment of the demand

POLYTEC issues weekly, standardized, call-forward notices for supply according to VDA 4905. The call-forward notices for the respectively preceding week apply whenever no call-forward notices are sent. All of the call-forward notices will be sent at the beginning of the month; only the altered call-forward notices will be sent afterwards. Our purchase orders will be issued either by fax, a pdf data file, the internet portal or '@-mail', or preferably by electronic data exchange or data telecommunication (orientated to the daily, weekly or monthly demands).

### 2.3 Information about the demand

The scheduling intervals as well as the called-forward quantity of information about the demand can vary depending on the customer's call-forward notices.

#### 2.3.1 Call-forward notices for supply according to VDA 4905

The following points must be noted if a call-forward notice for supply is intended: the daily, weekly and monthly demands will be given in the call-forward notice for supply. The delivery dates or deadlines and the quantities that are contained in the call-forward notice for supply define POLYTECH's daily *pro rata* data about inspections of incoming goods. The obligatory acceptance of the finished parts is based on the stipulated period of 4 weeks. The period will be calculated from the point in time when the change becomes known. The obligatory acceptance is 4 further weeks for raw materials. Contact must be sought with the responsible expeditor or managing clerk in cases of divergences.

A back order is simultaneously a defaulted delivery and it entails possible special actions (e.g., special shifts or special transport). The provisions that are listed as respectively applicable from the SUPPLIER's basic agreement, the individual contract or the conditions of purchase, or both, (conditions of purchase for machines, equipment and operating facilities) must be applied.

#### 2.3.2 Detailed call-forward notices according to VDA 4915

The detailed call-forward notice is based in the call-forward notice for supply. A binding deadline for the inspection of incoming goods will be given with the date and quantity. The responsible expeditor or managing clerk must be contacted in the case of divergences.

A back order is simultaneously a defaulted delivery and it entails special possible actions (e.g., special shifts or special transport). The provisions that are listed as respectively applicable from the SUPPLIER's basic agreement, the individual contract or the conditions of purchase, or both, (conditions of purchase for machines, equipment and operating facilities) must be applied.

#### 2.3.3 Batch sizes

The supplied batch sizes will be agreed between the SUPPLIER and POLYTEC before starting the mass production. The respectively other party's approval is needed for requested alterations regarding the supplied batch sizes that have been agreed.

### 3. Logistical requirements

#### 3.1 Adherence to delivery dates and delivered quantity

The SUPPLIER is obligated to meet the delivery date that was agreed with POLYTEC in advance. If it is unreasonable for POLYTEC to accept the supplies that were delivered before the agreed delivery date, then POLYTEC can refuse the acceptance or send the goods back to the SUPPLIER at the SUPPLIER's cost.. POLYTEC will charge the SUPPLIER for the administrative and other incurred costs of the respectively affected delivery. Furthermore, the delivered goods must correspond to the ordered quantity of the item on the purchase order. Partial deliveries are only permissible after POLYTEC has given its prior consent. If the SUPPLIER cannot meet the delivery dates, then he must inform POLYTEC immediately.

#### 3.2 Guidelines on packaging

It is basically required to stipulate a packaging for every part. The SUPPLIER has to develop the packaging by agreement with POLYTEC, insofar as nothing else has been agreed and it constitutes part of the bought service. POLYTEC has to approve every packaging after checking the process inhouse. Returnable packagings must be used, subject to considering the avoidance of waste (only environmentally compatible materials) and the standard load carriers must be taken into account while doing so. If this is impossible, then special load carriers must be designed as the returnable packaging.

The SUPPLIER is responsible for supplying the packaging of suitable quality, which is always as stipulated and approved by POLYTEC according to POLYTEC's requirement. Diverging packaging is only allowed to be delivered with POLYTEC's consent. POLYTEC will charge the SUPPLIER for the administrative and other incurred costs like the handling and repackaging costs, the costs of storing and disposing of the packaging material, as well as the cost of returning it. Further reimbursement of POLYTEC on account of infringing these regulations does not affect the aforementioned lump sums.

The respectively other party's approval is needed for requested alterations regarding the agreed packaging.

The following demands are made on choosing the type of packaging.

- Delivery of undamaged parts (unimpaired quality),
- Secure transport
- Optimum utilization of the containers (filled as much as possible up to the maximum of 15 kg in the case of packaging for carrying small loads).
- Protection against dust and moisture.
- Easy and ergonomic removal of the parts.
- Stackability of the containers and cardboard boxes.
- Compliance with the specified standard dimensions or sizes.
- Guaranteeing unloading of the lorries by means of fork-lift trucks without any problem.
- Returnable and recyclable outer and inner packaging.

#### 3.3 Arrangement of the loading units

The loading units must basically be delivered without articles and batches (no mixed pallets).The articles must be delivered in fixed, controllable quantities. The pallets must be packed without projections and the stacking arrangement on one pallet should be completed flatly and evenly, in order to enable a further loading unit to be superimposed (stackable pallets). The pallets are not allowed to be overpacked or overloaded (optimally filled). Bulges or lopsided loadings that are caused by shifting cargo as well as transport damage must be obviated by means of effective securement during the transport (refer to Appendix 9.1).

Section 4.0 entitled 'Environmental aspects' states the further demands that are made on designing the packaging. If it appears that divergences would be necessary or practical, then they should be discussed before the delivery with POLYTEC's appropriate person who is responsible for the logistics and then approved by him.

### **3.4 Identification (labelling) of the loading unit**

The loading unit must be identified with the standardized goods sticker (master label) that is suitable for a bar code according to VDA 4902 (Appendix 9.3) in order to ensure that it can be identified reliably. Every packaging unit must be identified with a label that is visible externally and that has at least POLYTEC's appropriate article number, description and quantity (single proof). The identification of the goods must be chosen be such a way that it always ensures good legibility externally (Appendix 9.2). The packaging must be adequately identified according to the type of quality (fragile, top-heavy, stackable or unstackable) not only externally but also individually on the packed parts if necessary, insofar as the packed article or the loading unit has to be handled in a particular way to ensure that it can be handled safely without damaging the goods. Basically, old goods tags or transport labels must be removed and the adhering points for fixing them must also be removed without leaving any residue, if the weight of the individual loading units exceeds 15 kg, then they must be identified with a label.

### **3.5. Documents accompanying the goods**

The goods must be despatched with the following documents accompanying the goods and they must be delivered to POLYTEC's incoming goods department. The data that is contained in the documents accompanying the goods enables POLYTEC to accept the goods smoothly. The documents accompanying the goods would cause an increased handling cost for POLYTEC if the information is deficient or lacking and the SUPPLIER will be charged for it.

#### **3.5.1 Delivery note**

POLYTEC needs a delivery note for clearing the delivered goods in the incoming goods department, which clearly described the delivery. Two copies of the delivery note must be enclosed with the delivery. The following information must be taken from it directly.

- . The SUPPLIER's data (SUPPLIER's number, name, address, telephone and clerk).
- . POLYTEC's purchase order number and item number.
- . POLYTEC's article number.
- . A description of the article.
- . The batch number (if applicable).
- . The shelf life (if applicable).
- . A hazardous goods label and the safety data sheet in the case of hazardous goods.
- . The number of parts or units (actually delivered quantity and amount per container)
- . The total number of pallets and the total number of loosely packed articles.
- . The delivery address.
- . The SUPPLIER's delivery note number.
- . The customs tariff number for the goods per article number.
- . The accumulated net weight per article number.
- . The gross weight per delivered package.
- . The reference delivery date according to the call-forward notice.

#### **3.5.2. Customs documents**

The customs documents must be enclosed in the case of delivering goods from countries that are outside the EU. The SUPPLIER is responsible for properly drawing up all of the documents that are necessary for passing through the customs; he is also responsible for handing these documents over to the transport company. These documents comprise at least the:

- T1 customs document,
- invoice,
- bill of lading or air consignment note.

### **3.6 Deliveries and times in the incoming goods department**

The times for delivering the goods are given in the respective purchase order, delivery schedule or partial delivery schedules.

The SUPPLIER or the carrier has the task of obtaining a suitable time for the delivery from our incoming goods department at least 24 hours before delivering the goods, in cases where the complete loads or partial loads comprise at least 20 pallets or 5 linear metres.

The goods can only be accepted outside these times after POLYTEC has agreed to do so in advance. Please consult the incoming goods department's contact in such cases.

### **3.7 Conditions of delivery**

The conditions of delivery will be agreed between the SUPPLIER and POLYTEC's purchasing department. If the delivery has been agreed on the basis of 'ex-works' (EXW) (according to the latest edition of the Incoterms) on account of the respective purchase order, then POLYTEC's designated carrier must be used. If the carrier is unknown, then his identify must be queried with POLYTEC in good time before the date of despatch (refer to the appendix for the contact). POLYTEC will not pay the costs of transport for carriers who have not been agreed in this case. If the approval is given on the basis of our number and our costs and an express delivery will be made, then this approval applies as non-recurring and it is explicitly only for the current business transaction: the renewed utilization is impermissible without our consent.

### **3.8 Loading**

It is absolutely necessary to ensure that the loading is orderly, safe and compact, as well as that the load is suitably and firmly secured.

## **4.0 Handling of load carriers**

### **4.1 Provisions and returnable packaging**

If it has been agreed in the respective purchase order that POLYTEC provides the returnable packagings, then the SUPPLIER has to place a purchase order in good time. The maximum containers will be provided free of charge for the next arranged delivery (the suitable quantity depends on the delivering frequency and therefore it will be individually agreed with the SUPPLIER). The returnable packagings are strictly transport containers and therefore they are not intended for making lot sizes over several weeks, nor for storage with the SUPPLIER. The SUPPLIER must acquire his own containers for these needs. The containers will be well swept (i.e., loose remains of the packaging are removed) and then provided for collection. If the cleanliness of the containers does not correspond to the qualitative demands for the material that has to be transported, then the SUPPLIER must take further cleaning measures at his own cost. The SUPPLIER will ensure that the provided returnable packagings are protected from the weather and that they will be securely stored in order to prevent access by unauthorized persons.

### **4.2. Shortage of containers**

The SUPPLIER has to contact POLYTEC's employees who are responsible for administering the containers in the case of a shortage (refer to the appendix for the contact data). The SUPPLIER also has a basic duty in the case of lacking containers. If the SUPPLIER tries to ensure that empty packagings, i.e., containers, are lacking by means of refraining from placing the purchase orders, or through delayed or faulty purchase orders, or by placing a deficient purchase order for returnable packagings, then the SUPPLIER has to fulfil his supplying obligation vis-à-vis POLYTEC and he must deliver his parts with the packaging that he provides for them (subject to considering Point 3.3). The SUPPLIER has to bear the extra costs that POLYTEC incurs because of that (like for example repacking, labelling, extra handling outlay and disposal). If POLYTEC cannot provide adequate returnable packaging despite a proper purchase order, then the SUPPLIER can charge POLYTEC for the extra costs by means of the responsible employee in the administrative department for containers approving the supply in writing.

#### **4.3 Container accounts**

If POLYTEC provided the SUPPLIER with the returnable containers, then it will receive a monthly statement of account about the load carriers, which shows the balances of all the respective SUPPLIER's incoming and outgoing load carriers.

The SUPPLIER is obligated to immediately check the statement of account for the following contents.

- Accuracy of the incoming and outgoing bookings (type, quantity and date).
- Correctness of the new, actual stock of containers on hand.

Complaints must be immediately notified to POLYTEC in writing. The complaint must contain a list of the criticized booking movements as well as copies of the confirmed delivery vouchers as an appendix (carrier's orders). If no objection is made to the account of the load carriers within four weeks, then it will be binding.

#### **4.4 Inventories of load carriers**

POLYTEC will make an inventory of the load carriers once a year on the reporting date. POLYTEC's container administration department will notify the information about the point in time and extent. However, a special inventory of the specific load carriers will also be made in addition whenever necessary. The SUPPLIER is obligated to cooperate with the inventory. Any arising divergences in the inventory will be appropriately notified to the SUPPLIER in writing. We will grant the SUPPLIER a time limit of 4 weeks for clarifying this matter. The compensatory value of the lost load carriers will be charged after this time limit has expired. The amount of the compensatory value corresponds to the repurchasing price of the corresponding load carrier.

### **5.0 Environmental aspects**

POLYTEC considers that protecting and conserving the environment is a significant responsibility. Our aspiration to handle the existing environmental resources sparingly is emphasized by our environmental management system, which is certified according to DIN EN IS – 14001. POLYTEC also has this aspiration vis-à-vis its SUPPLIERS. Only environmentally compatible materials must be used when choosing the packaging, in order to satisfy these demands and not to burden the environment unnecessarily. Packaging chips and wood wool or shavings, shrink-wrapping and steel bands are basically not allowed. The utilized packaging materials must basically be extensively recyclable.

### **6.0. Settlement of claims and allocation of expenses**

#### **6.1 Settlement of claims<sup>1</sup>**

POLYTEC retains the right to refuse acceptance in the case of damaged goods, or to send the goods back to the SUPPLIER at his cost, insofar as there are not any other agreements. The administrative costs and other incurred costs will be charged to the SUPPLIER.

#### **6.2 Allocations for diverging deliveries**

Considerable costs are caused for POLYTEC's incoming goods department by the deliveries that diverge from this guideline as well as by accepting the goods that diverge from the standard processes or procedures. POLYTEC reserves the right to charge the SUPPLIER for the entire extra cost, which will basically be accounted for according to outlay. A logistical complaint will be made about the deliveries that diverge from this logistical guideline.

<sup>1</sup> adjustment of losses arising from claims for compensatory damages



## 7.0 Term of the contract

- 8.1 This general logistical agreement can be ordinarily cancelled by either party, subject to complying with six months of notice to the end of a calendar month.
- 8.2 The right to an extraordinary cancellation for an important reason remains unaffected.
- 8.3 Every cancellation has to be given by means of a registered letter.

## 8.0 Appendices

- Appendix 9.1 Examples of deficient packaging
- Appendix 9.2 Fitting the goods hanger correctly
- Appendix 9.3 Specimen copy of VDA voucher no. 4902

## 9.0 Data protection

We refer to the POLYTEC Group's data-protection declaration at < <https://www.polytec-group.com/de/Datenschutz> >.

[Date]

[Date]

.....  
POLYTEC [company]

.....  
SUPPLIER

Name and position

Name and position