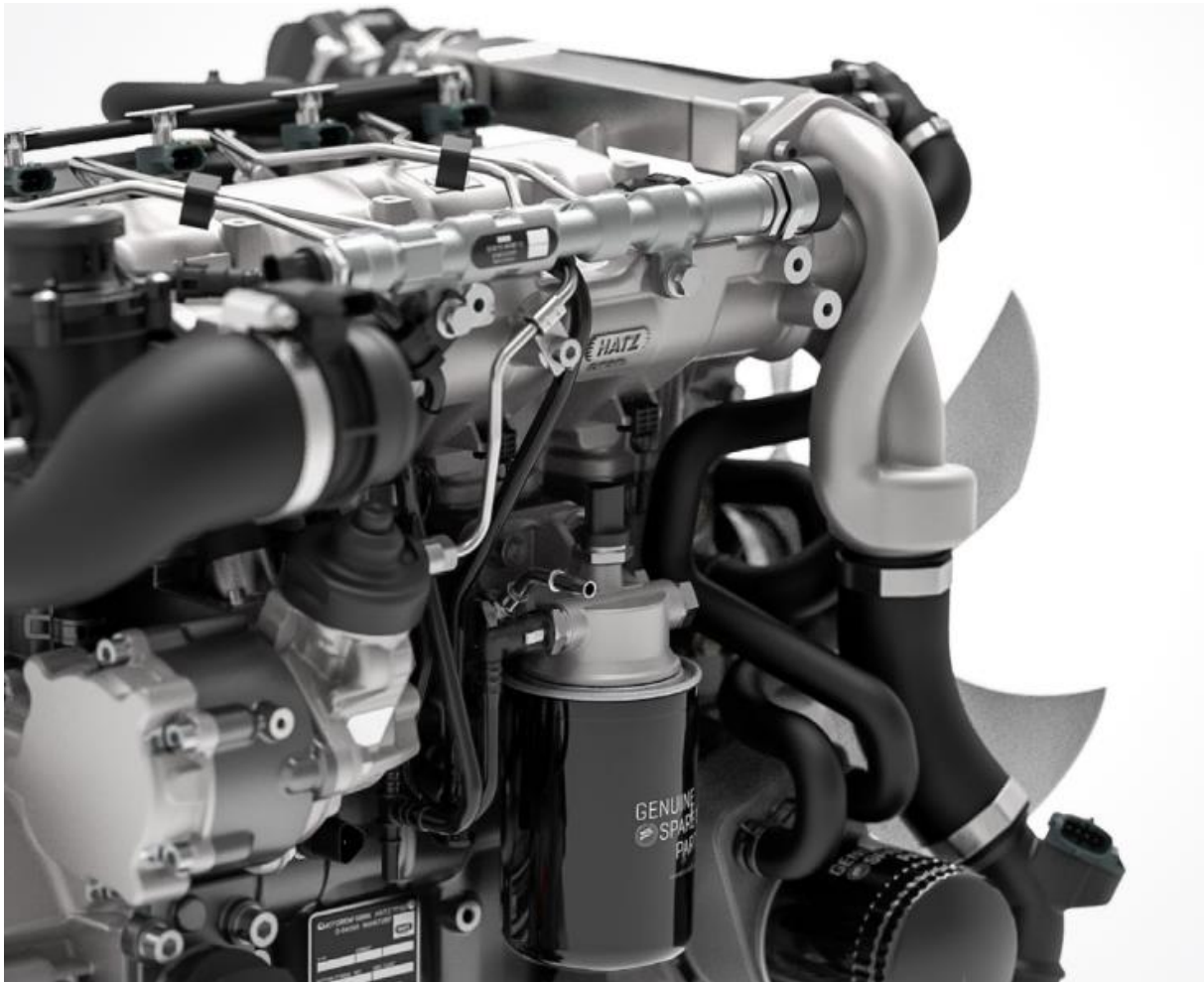





CREATING POWER SOLUTIONS

## Supply-Chain-Specification for Suppliers of Motorenfabrik HATZ




Responsible: SCM / D.Eder  
Revision: 00  
Date: 30.04.2020


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## Supply-Chain-Specification HATZ

### 1. Scope of Application

This Supply Chain Specification (hereinafter referred to as "SCS") governs the essential basics of the logistical information and goods flow between Motorenfabrik HATZ GmbH & Co. KG (hereinafter referred to as "HATZ") and its Contractors (hereinafter referred to as "Contractors") in order to ensure smooth handling of the logistics processes along the Supply Chain. It shall apply to contractors with both national and international locations.

In addition, an individual supply chain agreement (hereinafter referred to as "SCA") shall be concluded and signed with each Contractor, which shall specify, supplement or amend the content of these Supply Chain Specification. In this respect, the provisions of the Framework Agreement and, prior to these, the provisions of the Supply Chain Agreement shall take precedence over this Supply Chain Specification.

Hatz will update this Supply Chain Specification from time to time. The Contractor shall be informed immediately by e-mail of each update and the new Supply Chain Specification shall be made available on [www.hatz-diesel.com/en/company/material-management/purchasing-platform](http://www.hatz-diesel.com/en/company/material-management/purchasing-platform). If the Contractor does not agree with the content of the updated Supply Chain Specification, he shall notify Hatz of this within 14 days of becoming aware of it. Otherwise, the updated Supply Chain Specification shall be deemed accepted.

### 2. Methods of Ordering

Hatz distinguishes between the following methods of order processing:


- Delivery Schedule Procedure (DSP)
- Individual Orders
- Kanban
- Vendor-Managed Inventory (VMI)

#### Delivery Schedule Procedure (DSP):

For a period of up to 12 months, the Contractor regularly receives requirements information (quantities and dates) in the form of schedule lines of the delivery planning. If the Contractor does not object to the transmitted schedule lines within 1 working day, they shall be deemed confirmed and shall be binding for both parties. The transmission and confirmation of the schedule lines of the delivery planning is preferably carried out via a predefined EDI interface. The delivery schedules of Hatz do not require confirmation by the Contractor.

Unless otherwise specified in the Supply Chain Agreement, the following parameters apply to purchase orders transmitted by the Delivery Schedule Procedure:

Scheduled Delivery Time:	14 calendar days from transmission of Delivery Schedule
Production Release:	14 calendar days from the end of the Scheduled Delivery Time
Material Release:	14 calendar days from the end of the Production Release
Forecast:	up to 46 weeks from the end of Material Release

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#### Individual Orders:

When required the Contractor shall receive from HATZ individual orders for one or more article numbers. Each order must be confirmed or rejected by the Contractor to HATZ within 1 working day. A rejection shall contain a written statement of reasons.

In addition to the individual orders issued on an irregular basis, the Contractor may request non-binding requirement previews from HATZ's Supply Chain Management (SCM-AZ-D)

#### Kanban

If the order is to be processed using Kanban, the necessary framework parameters are defined in an individual "Additional Agreement for Kanban Processing". In particular, it should be noted that if the stock of material or the number of containers falls below a defined short-term level, the Contractor receives a signal for replenishment

#### Vendor-Managed Inventory

In order to ensure an automated, continuous and stable flow of goods, the parties may agree on a concept based on consignment stock. In order to specify the concept, a Consignment Stock Contract will be concluded between the parties, including the specific conditions to be agreed separately, which are briefly explained below:


The stock level is controlled by minimum and maximum stocks at article level. The determination of these stocks shall be carried out in mutual agreement between HATZ and the Contractor and shall be coordinated taking into account the capacities of the Contractor and the transport time of the delivery items to the consignment warehouse and documented in an Annex to the Consignment Stock Contract, as well as reviewed every six months and updated if necessary. The Contractor shall be solely responsible for filling the consignment stocks within the specific tolerances.

The consignment warehouse shall be set up in storage areas specified and provided by HATZ. The costs for the storage area and the services for storage and removal from storage shall be borne by the Contractor. An annual inventory of the consignment stocks shall be carried out by the Contractor. HATZ reserves the right, when required during the year, to agree and carry out article-related inventories with the Contractor.

Prompt stock reports shall be made by EDI interface for receipts and issues to or from the consignment warehouse. The transfer of risk shall take place after removal of the Delivery Items from the consignment stock to HATZ. The subsequent payment of the withdrawn Delivery Items is carried out using the self-billing procedure. Purchase order processing, material withdrawals and rolling requirement forecasts are processed using a predefined EDI interface. For details of EDI processing at HATZ reference is made to the Hatz EDI Guidelines (Annex 3).

### **3. Delivery Dates**

Delivery shall be made on the agreed delivery dates in accordance with the agreed Incoterms delivery clause. The Contractor is obliged to take into account the punctual delivery in its procurement and production planning and to coordinate its provision and dispatch dates accordingly. The Contractor has to ensure that it notifies its Contact Partners at Hatz in good time of a delivery of goods.

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#### 4. Exchange of Data

The transmission of the order information is generally carried out by remote data transmission according to VDA standard. Deviations from this are only permissible after consultation with the responsible contact person of the Supply Chain Management at HATZ and are to be individually recorded in the Supply Chain Agreement. The basis for the data transmission shall be HATZ's current "Guidelines for EDI Connection for Suppliers" (EDI Guidelines) (available at any time at [www.hatz-diesel.de](http://www.hatz-diesel.de)).

The Contractor is obliged to check incoming orders and delivery schedules for completeness and to process them. Should irregularities occur, this must be reported immediately to the relevant department set forth in the EDI Guidelines.

#### 5. Delivery Times

Delivery to HATZ must take place on the specified delivery dates within the regular goods acceptance times.

##### 5.1. Goods Acceptance Times at Hatz

The standard goods acceptance times at HATZ locations are as follows:

- at the Ruhstorf plant, Ruhstorf an der Rott, Federal Republic of Germany
  - Monday – Thursday from 07:00 hrs. to 15:30 hrs.
  - Friday from 07:00 hrs. to 11:30 hrs.
- at the external warehouse CS-Logistik, Hartham (at Neuhaus am Inn), Germany
  - Monday – Thursday from 07:30 hrs. to 16:00 hrs.
  - Friday from 07:30 hrs. to 12:30 hrs.
- at plant Vlachovo Brezi, Czech Republic
  - Monday – Thursday from 07:00 hrs. to 14:30 hrs.
  - Friday from 06:30 hrs. to 10:30 hrs.

Beyond the acceptance times stated herein, acceptance of goods is only possible by prior notification to the contact persons of the Supply Chain Management at HATZ


##### 5.2. Consolidations Hubs

The establishment of a regional consolidation hubs (and the resulting different delivery address) will be announced by Hatz in good time.

#### 6. Excess, Advance and Partial Deliveries

Within the scope of its delivery, the Contractor is obliged to comply exactly with the agreed quantities. Unless otherwise agreed, no excess, advance or partial deliveries shall be accepted by HATZ. The Contractor may only make deliveries deviating from the agreed delivery quantities and delivery dates after prior agreement with its responsible contact person in Supply Chain Management at Hatz.

In the event of a non-notified excess delivery or advance delivery, the Contractor shall organize the collection of the goods or bear the costs for return shipment. Hatz may also store advance deliveries at

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the expense and risk of the Contractor. In this case the payment period shall continue to be calculated according to the agreed delivery date.

## 7. Incoterms

Within the framework of the business relationship existing with the Contractor, Hatz accepts the following Incoterms delivery clauses (status: Incoterms 2020):

- FCA – Free Carrier (place of delivery)
- DAP – Delivered At Place (place of delivery)
- DPU – Delivered At Place Unloaded (place of delivery)
- DDP – Delivered Duty Paid (place of delivery) (for third country consignments)

Detailed information on the individual Incoterms delivery clauses can be found in the official announcements and regulations of the ICC International Chamber of Commerce. Deviating delivery clauses are only permissible after corresponding agreement with the responsible contact person of Supply Chain Management at HATZ.

## 8. General Packaging Instructions and Handling of Load Carriers

### 8.1. General Provisions

The requirements on the part of HATZ for dispatch, packaging and labelling of the delivery items are specified below. They are to be observed by the Contractor for each delivery. Unless other or supplementary requirements have been agreed upon with the Contractor, a different delivery condition shall not be accepted.

HATZ reserves the right, in the event of non-compliance with the requirements, to charge the additional expenditure incurred (e.g. repacking and administrative expenditure) per delivery item to the Contractor.

### 8.2. General Dispatch Instructions and Packaging Information


#### 8.2.1. Dispatch Instructions / Documentation

All contractors of HATZ must ensure their deliveries in accordance with the following provisions.

##### 8.2.1.1. Loading Devices

All deliveries must be carried out with the loading devices / packaging provisions specified in these packaging instructions, with the exception of individually prepared and agreed delivery instructions.

For delivery items which require a special rack or other special packaging material depending on their packaging or handling requirements, the provisions must be agreed with Hatz Logistics Department (SCM Logistics Planning) and recorded in Appendix 1 of the Supply Chain Agreement.

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### 8.2.1.2. Freight Documents

The freight documents of the respective transport service provider must be used. These are to be filled out completely and correctly. This applies in particular to the indication of the type, number and weight of the individual packages, as well as the type and number of the reusable pallets and containers used.

### 8.2.1.3. Delivery Note

The delivery note must be attached safely and clearly visible to the consignment. The delivery note of a consignment must be executed in accordance with DIN 4994 and must be enclosed with all necessary accompanying documents of the goods.

The delivery note must contain the following details:

- Article description
- Article Part number HATZ\*
- Quantity / number of pieces per package\*
- Change index according to drawing
- Number and type of load carriers
- Shipping date
- Company address of the Contractor
- Delivery/unloading address
- Delivery note number\*
- Delivery date
- Total delivery quantity\*
- Hatz Order number\*
- Hatz Order item
- Gross and net weight
- Batch number (if relevant)\*
- Volume of bulky goods
- Clear marking of initial samples and mixed consignments

The information marked with (\*) must also be provided in barcode format EAN-128

### 8.2.2. Packaging Instructions and Recommendations

The Contractor defines the part-specific packaging on the basis of environmental, economic and qualitative criteria. The requirements of HATZ must also be taken into account.

In principle, a packaging must be selected which guarantees that the goods are delivered to HATZ undamaged.


The packaging material must be clean, undamaged and dry; no damp or moisture-absorbent packaging material may be used unprotected (e.g. wet wood, damp packaging materials, organic substances, aqueous residues on or in the packaged goods).

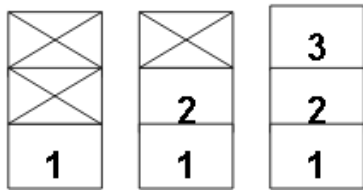
### 8.2.3. Formation of Loading Units

If a loading unit is made up of modular individual packages, these must be matched to the standard dimensions.

Care must be taken to ensure that the loading units are stackable. The loading unit must be marked with maximum load and/or stacking factor.



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International symbols for stackability

If the delivery quantity does not result in a complete layer, the layer must be supplemented accordingly with empty containers to provide a flat support surface for stacking. Empty containers must be clearly marked.

The individual components must be stabilized in such a way that slippage during storage and transport is prevented. When selecting the respective securing means, the format, weight and material of the packaging to be secured must be taken into account. The packaging must not be damaged by the securing devices.

When packing small parts in boxes, the weight per box must not exceed 13 kg.

If no special treatment or packaging (surface treatment, painting, packing, etc.) has been agreed, the table in Appendix 1 (packaging design, applications "Overview of Applications") must be applied

#### 8.2.3.1. Mixed Consignments

Mixed consignments must be packed so that identical goods are grouped together. The load carrier must be clearly marked as a mixed consignment. Only consignments with identical unloading points may be grouped.

#### 8.2.4. Part Specific Packaging

In order to determine a unique delivery condition, a part-specific packaging standard has to be defined between the Contractor and Hatz (SCM Logistics Planning).

#### 8.2.5. Labeling with the VDA Goods Tag

The goods tag is used for the clear identification of means of transport and load carriers in the internal material flow and on the transport route between Contractor - forwarder - goods recipient. All contractors must therefore ensure that all means of transport and load carriers are provided with an up-to-date, carefully filled in and bar-coded goods tag in accordance with the latest version of VDA recommendation 4902.

The goods tag must be clearly visible and secured against loss, and must be attached to the goods.

It must be ensured that all the data on the goods tags correspond to the contents of the packages or load carriers. In order to ensure clear identification, the Contractor is obliged to remove outdated goods tags and labels on packages or loading units before filling.


Two formats are described in VDA Recommendation 4902:

- Format 210mm x 148mm (Master-Label)
- Format 210mm x 74mm (Single-Label)

In principle, a master label must always be used in DIN A5 form (format 210mm x 148mm).

For small load carriers (SLC) and cardboard packaging, the format 210mm x 74mm must be used.

If necessary, the SLC label must be inserted in the card pocket provided for this purpose.


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### 8.2.5.1. Labeling with VDA Goods Tag (Single-Label)

(1) Warenempfänger <b>Motorenfabrik Hatz</b> Ernst-Hatz-Str. 16 94099 Ruhstorf		(2) Abladestelle - Lagerort - Verbrauchsstelle Ernst-Hatz-Str. 16 94099 Ruhstorf	(3) Lieferschein-Nr. (N) <b>12345678</b> 
(8) Sach-Nr. Kunde (P) <b>11210201218A</b> 			
(9) Füllmenge (Q) <b>56 ST</b> 		(10) Bezeichnung Lieferung, Leistung <b>Artikel xyz</b>	
(12) Lieferanten-Nr. (V) <b>57349611</b> 		(11) Sachnummer Lieferant <b>123456789</b> 	
(15) Packstücknummer (S,M,G) <b>S123456789</b> 		(13) Versanddatum <b>19.07.2016</b>	(14) Änderungsstand Konstruktion <b>09</b>
		(16) Chargen-Nr. (H) <b>1234567</b> 	

Field-No.	Field Name / Data Element	Remark	Mandatory/ Optional	Barcode
1	Recipient of Goods	Motorenfabrik HATZ GmbH & Co.KG, Ernst-Hatz-Str. 16, 94099 Ruhstorf	M	No
2	Unloading Point	See Unloading Point specified in delivery schedule or Order	M	No
3	Delivery Note Number	Delivery note number must correspond to the data on the delivery note or the EDI	M	Yes
8	Customer Part Number	HATZ part number from delivery schedule / purchase order	M	Yes
9	Quantity	Filling degree of package	M	Yes
10	Description	Short text description of goods from delivery schedule / purchase order	M	No
11	Supplier Part Number	Part Number of the Supplier	O	No
12	Supplier Number	Identifikation of Supplier	M	Yes
13	Date	P JJ.MM.TT (Production Date) D JJ.MM.TT (Shipment Date) Shipment date is accepted if the production date can be derived.	M	No
14	Change status / Construction	Revision status / change status / material or drawing	O	No
15	Package Number	Identification number assigned by Supplier for the package	O	No
16	Batch Number	Batch number / manufacturer identification number	M*)	Yes


\* Batch Number if required

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### 8.2.5.2. Labeling with VDA Goods Tag (Master-Label)

(1) Warenempfänger <b>Motorenfabrik Hatz GmbH&amp;Co.KG</b> <b>Ernst-Hatz-Str. 16</b> <b>94099 Ruhstorf</b>		(2) Abladestelle - Lagerort - Verwendungsschlüssel <b>Ernst-Hatz-Str. 16</b> <b>94099 Ruhstorf</b>	
(3) Lieferschein-Nr (N) <b>12345678</b> 		(4) Lieferantenanschrift (Kurzname, Werk, PLZ, Ort) <b>Max Mustermann GmbH</b>	
		(5) Gewicht netto <b>400</b>	(6) Gewicht brutto <b>450</b>
		(7) Anzahl Packstücke <b>2</b>	
(8) Sach-Nr Kunde (P) <b>11210201218A</b> 			
(9) Füllmenge (Q) <b>560</b>  ST		(10) Bezeichnung Lieferung, Leistung <b>Zylinder mit Kolben</b>	
(12) Lieferanten-Nr (V) <b>57349611</b> 		(11) Sach-Nr Lieferant (30S) <b>123456789</b> 	
		(13) Datum <b>19.07.2016</b>	(14) Änderungsstand Konstruktion <b>09</b>
(15) Packstück-Nr (S) <b>440010300010340</b> 		(16) Chargen-Nr (H) <b>1234567</b> 	
(17) Max Mustermann GmbH		Warenempfänger VDA 4502, Version 4	

Field-No.	Field Name / Data Element	Remark	Mandatory/Optional	Barcode
1	Recipient of Goods	Motorenfabrik HATZ GmbH & Co.KG, Ernst-Hatz-Str. 16, 94099 Ruhstorf	M	No
2	Unloading Point	See Unloading Point specified in delivery schedule or Order	M	No
3	Delivery Note Number	Delivery note number must correspond to the data on the delivery note or the EDI	M	Ja
4	Supplier Address	From Delivery Schedule or Order	M	No
5	Net Weight	Net weight of loading carrier in kg	M	No
6	Gross Weight	Gross weight of loading carrier in kg	M	No
7	Number of packages	Quantity of packages delivered	M	No
8	Customer Part Number	HATZ Part Number from Delivery Schedule or Order	M	Yes
9	Quantity	Filling degree of package	M	Yes
10	Description	Short text description of goods from delivery schedule / purchase order	M	No
11	Supplier Part Number	Part Number of the Supplier	O	No
12	Supplier Number	Identification of Supplier	M	Yes
13	Date	P JJ.MM.TT (Production Date) D JJ.MM.TT (Shipment Date) Shipment date is accepted if the production date can be derived.	M	No
14	Change status / Construction	Revision status / change status / material or drawing	O	No
15	Package Number	Identification number assigned by Supplier for the package	O	No
16	Batch Number	Batch number / manufacturer identification number	M*)	Yes
17	Address of Supplier long	Complete address of Supplier	O	No

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\*Batch Number if requested

### 8.2.5.3. Labeling with Goods Tag (Attaching to the Container)



**Master-Label**



**Single-Label**




## 8.3. Packaging Requirements

### 8.3.1. Standard Packaging

For series deliveries, standard packaging such as Euro pallets, Euro grid boxes or one-way pallets must be used. A maximum package height of 1000 mm must not be exceeded.

Euro wooden pallet Identification mark is DB sign, EUR sign and/or EPAL sign:

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Hatz Nr.	Ident-	Code	Lengths	Wide	Hight	Weight (Tara)
93102000		FP	1200	800	150	21kg

EURO grid box identification mark is DB-sign, EUR-sign and/or EPAL-sign:



Hatz Nr.	Ident-	Code	Lengths	Wide	Hight	Weight (Tara)
93000200		GiBo	1235	840	966	84kg

Load carriers not meeting the exchange criteria according to EPAL will not be exchanged.

### 8.3.2. Standard Dimensions and Weights

The maximum storage height is 1000 mm and must not be exceeded.

Maximum gross weight per load carrier 700 kg.


(Deviations are only permissible after consultation with HATZ)

The load must not project to the side of the load carrier.

### 8.3.3. Import Requirements for Solid Wood Packaging Materials – IPPC-Standard

Many countries have appropriate quarantine regulations to protect native forests against the introduction of wood pests. In order to prevent the development of different import regulations, the International Plant Protection Convention (IPPC), a subordinate organization of the Food and Agriculture Organization (FAO) of the UN, has issued ISPM 15 International Standards for (Phytosanitary Measures) "Guidelines for Regulating Wood Packaging Material in International Trade" for the international shipment of solid wood packaging.

See the Internet: <http://www.tis-gdv.de/tis/verpack/holz/export/export.html>

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#### **8.3.4. Application of VCI (Volatile Corrosion Inhibitor) Product**

VCI products must be stored in closed containers/bags.

Used VCI sacks must always be closed. When VCI sacks or bags are used, they must project sufficiently over the packaged goods to allow the film to be folded over, see Annex 2.

The VCI sacks must not be damaged (tears, holes etc.) or soiled.

It must be prevented that the packaged goods damage the VCI film, e.g. by sharp edges. Only suitable padding materials may be used inside the VCI bags, such as VCI cardboard tonnage, VCI paper, VCI air cushion film or other corrosion-chemically uncritical products.

The components may only be packed or sealed in VCI bags/bags after they have dried and reached the ambient / room temperature (handling only with gloves which do not have any corrosion-promoting properties).

Corrugated cardboard or paper must not be used to separate layers (bottom; middle; top) of processed metal parts. Corrosion-protective packaging materials must always be used.

(e.g. VCI cardboard / paper / foil; see also "Overview of applications").

#### **8.3.5. Corrosion protection**

The delivery items must be adequately protected against corrosion. This, unless otherwise agreed, for a period of at least 6 months.

The use of liquid corrosion protection mediums requires prior clarification and approval by HATZ.

The properties of the corrosion protection film when using liquid products must meet the following criteria:

- no resinification;
- no drying out;
- removal possible by one-time washing with commercially available washing media;
- coating thickness as low as possible.

Only those corrosion protection mediums including VCI may be used which do not contain any N-nitrosamine-forming substances (N-nitrosamines are undesirable, carcinogenic trace substances).


#### **8.4. Other Packaging Requirements**

The legal regulations regarding hazardous substances (preservatives & packaging as well as impregnations) must be observed and complied with.

Packaging must comply with the construction and testing regulations as well as the instructions for use of the currently valid versions of the hazardous goods regulations.

For special regulations for road transport with regard to packaging, load securing and labelling, please refer to the "Accord européen relatif au transport international des marchandises Dangereuses par Route" (ADR).

The regulations, in particular for the classification, packaging, labelling and documentation of dangerous goods and for handling during rail transport, can be found in the Regulation concerning the International Carriage of Dangerous Goods by Rail (RID - [www.bmvi.de/SharedDocs/DE/Artikel/G/Gefahrgut/gefahrgut-recht-vorschriften-eisenbahn.html](http://www.bmvi.de/SharedDocs/DE/Artikel/G/Gefahrgut/gefahrgut-recht-vorschriften-eisenbahn.html)).

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The regulations for the transport of dangerous goods by seagoing vessels can be found in the international code for the transport of dangerous goods by seagoing vessels (see IMDG Code - [www.bmvi.de/SharedDocs/DE/Artikel/G/Gefahrgut/gefahrgut-recht-vorschriften-seeschifffahrt.html](http://www.bmvi.de/SharedDocs/DE/Artikel/G/Gefahrgut/gefahrgut-recht-vorschriften-seeschifffahrt.html)).

Packaging in air transport must comply with the IATA-DGR.

If the above specifications are not met, HATZ reserves the right to charge the Contractor with the additional costs arising from this.

## **8.5. Account and Inventory Management for Load Carriers**

### **8.5.1. For Hatz Load Carriers**

Load carriers such as Small Load Carriers (SLC), collapsible frames and special racks shall, unless otherwise agreed, be made available to the Contractor by HATZ at regular intervals. HATZ and the Contractor shall agree on a delivery frequency.

The Contractor undertakes to handle special load carriers owned by HATZ with care. The (special) load carriers shall be delivered in a clean, dry and functional condition. Obsolete load carrier markings must be removed before delivery.

The account management for load carriers shall be carried out jointly by both parties. The Contractor shall prepare a load carrier account statement for each calendar quarter and make this available to HATZ by the 15th calendar day of the month following the end of the respective quarter. This statement of account must show any proof of supply and delivery (forwarding orders).

Should the Contractor not send a load carrier account statement to HATZ within this period, HATZ shall be entitled to send its own load carrier account statement to the Contractor for the previous calendar quarter. Insofar as the Contractor does not object in writing to this statement of account from HATZ within 14 calendar days, the statement of account transmitted by HATZ shall become binding for both parties. Differences established by the Contractor in the following (physical stock < book inventory) on his account shall be compensated for by the Contractor financially or by ordering replacement.

### **8.5.2. Load Carrier from the EURO Exchange Pool**


If standardized and EPAL-certified exchangeable reusable (pool) pallets (e.g. Euro flat pallets) are used for delivery, the rules of the Bonn Pallet Exchange Procedure shall be deemed agreed. The exchange of empties takes place in a 1:1 exchange and is handled with the executing forwarding agents or carriers. This applies in principle to all deliveries. Should the 1:1 exchange not be possible in principle, this must be agreed in advance with HATZ Supply Chain Management. In these cases, the empties shall be consolidated at HATZ and sent/prepared for collection in larger quantities to the Contractor. The Contractor shall ensure that only exchangeable load carriers are used.

With regard to EPAL load carriers, the Contractor shall be required to reconcile the empties accounts with the contractual freight forwarder or the respective HATZ plant on a monthly basis in accordance with the respective delivery clauses.

## **8.6. Substitute Packaging**

Any substitute packaging which deviates from the packaging defined as standard in the packing instructions must be approved in advance by HATZ. For this purpose, the Supplier must contact the responsible HATZ contact person of the Supply Chain Management before dispatching the goods and agree suitable packaging.



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The costs of the replacement packaging and its consequential costs (e.g. repacking, disposal) shall be borne by the party responsible.

## **9. Transport Processing (FCA)**

The following provisions apply to transport processing on the basis of FCA (Incoterms 2020). Deviating delivery clauses require an individual agreement between the Contractor and HATZ.

### **9.1. Shipping Notification**

The Contractor is obliged to notify any delivery of the goods with sufficient lead time.

### **9.2. Collection Notification**

If the transport service provider is determined by HATZ, the transport service provider shall make the collection notification available to the Contractor. The description is provided by the transport service provider.

### **9.3. Collection / Time Slot**

The goods must be ready for collection at the usual dispatch times between 07:00 - 15:30 hrs. The standing time at the Contractor's premises is a maximum of 1.5 hours including unloading of empties, depending on the volume. Any time required beyond this must be agreed separately between the Contractor and the transport service provider. Demurrage charges will be debited to the Contractor directly by the transport service provider.

## **10. Extra Tours**

As a matter of principle, it is imperative that the delivery date is met by the Contractor. Insofar as the Contractor has to carry out extra tours to avoid a delay in delivery or in the event of a delay in delivery, it must organize these at its own expense and responsibility. The following data must be notified to HATZ in writing:


- Registration number of the vehicle;
- Vehicle type;
- Mobile phone number of the driver;
- Estimated time of arrival of the transport vehicle;
- Number and type of packaging of the transported goods.

## **11. Measuring Logistics Performance**

Contractors of HATZ are measured over the entire product life cycle with regard to their logistical performance (adherence to quantity/timelines). With the aid of this evaluation, the Contractor's processes are to be specifically optimized and possible weak points eliminated.

The Logistics Performance Report is distributed once a year to the Contractor by the HATZ Purchasing Department.



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Insofar as HATZ assesses the future delivery performance as being at risk on the basis of the logistics performance shown, the Contractor shall be made aware of this with the performance evaluation. In this case HATZ expects an immediate statement with subsequent concrete countermeasures.

## **12. Customs and Foreign Trade Law Conditions of Motorenfabrik HATZ GmbH & Co. KG**

The following section specifies the form in which customs matters are to be handled within the framework of the business relationship with the Contractor and what obligations the Contractor has towards Hatz in the context of customs and foreign trade law.

The Contractor must read these explanations carefully and, if necessary, make preparatory arrangements with the responsible customs authorities.

The Contractor is obliged to establish all legally permissible procedures along the supply chain for customs optimization, such as inward processing, outward processing, special use or a bonded warehouse, independently and under its own responsibility. Any costs incurred shall be borne by the Contractor.

### **12.1. Deliveries to Locations of Motorenfabrik Hatz (Germany + Czech Republic)**

#### **12.1.1. Deliveries of Goods from EU Countries for free Circulation**

Goods from the free circulation of the EU (=Union goods) are to be transported within the EU without customs formalities.

If primary materials which are subject to customs duties are used to manufacture the goods, the Contractor is obliged to inform the customs department of Hatz before the first delivery and, after consultation with the customs department, to set up a customs procedure to reduce import duties (e.g. inward processing) if possible. The Contractor is obliged to support these procedures at no further cost to Hatz in such a way that the customs law optimizations can be exploited as efficiently as possible (e.g. by setting up his own customs procedures and authorizations).


#### Supplier's Declarations / Long-term Supplier's Declarations / Certificates of Origin:

The Contractor is obliged to provide Hatz with proof of preferential and non-preferential origin for all goods supplied. The country of origin shall be shown in the form of the ISO alpha code.

If the delivered goods are covered by EU agreements on the granting of customs advantages, the Contractor is obliged to supply the following documents:

- In the case of one-off deliveries, a Supplier's Declaration must be made available to Hatz in a separate form 45 days after request and at the latest 10 days before delivery, stating the Hatz part number and the supplier number. A Supplier's Declaration on commercial documents shall not be accepted;
- For all recurring deliveries, in particular serial material, a long-term Supplier's Declaration must be sent for the current year 10 days before the first delivery and for the following year on 1 December of each year without being asked, stating the Hatz part numbers and the supplier number. The form for long-term supplier's declarations of Hatz must be used.

Both for Supplier's Declarations and for long-term Supplier's Declarations, the supplier must observe the legal requirements, in particular with regard to form. If any changes occur during the period of validity

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of the Supplier's Declaration which make it necessary to correct the declaration, the supplier shall inform Hatz of this in writing without delay.

Any costs incurred in connection with the preparation of Supplier's Declarations shall be borne by the Contractor.

For each Supplier's Declaration/long-term Supplier's Declaration not received or not received in time (per material number), Hatz shall be paid a lump-sum compensation of EUR 100.00 for the tracking and the associated expenditure. For this purpose a separate invoice will be issued by Hatz.

A change of origin must be notified to Hatz in writing without request and without delay.

Supplier's Declarations and long-term Supplier's Declarations must be sent in advance to the following e-mail address and the original to our postal address:

Mail:  
Zoll@hatz-diesel.de

Postal Address:  
Motorenfabrik Hatz GmbH & Co. KG  
Customs Department  
Ernst-Hatz-Straße 16  
94099 Ruhstorf an der Rott  
Germany

The Contractor is liable for any damage and/or expense (in particular punitive duties, legal costs, etc.) incurred by Hatz as a result of incomplete and/or incorrect information in the Supplier's Declaration. On request, the supplier must provide evidence of its information on the origin of the goods by means of a customs certified information sheet (INF4). If further official documents are required for the import or export of goods for the intended use of the delivered goods, the Contractor is obliged to make these documents available to Hatz without delay.

Delivery of goods without preferential origin (within the EU):

- If the delivered goods have a third country origin (non-EU), the Contractor undertakes to provide a Certificate of Origin or similar proof of origin on request. Alternatively, German contractors have the option of preparing a "(long-term) declaration of non-preferential origin and having it certified by the local Chamber of Industry and Commerce. Any costs incurred in the issue of Certificates of Origin shall be borne by the Contractor.

#### **12.1.2. Deliveries from non-EU States, as well as Deliveries of non-Community Goods (Customs Goods) via Supplier Warehouses or Business Premises located in the EU**


Unless otherwise agreed, deliveries must be made duty unpaid and untaxed.

In road traffic, the goods must be cleared for free circulation at the point of departure, but at the latest at the EU external border for the common transit procedure T 1, or directly via our customs clearance carrier/border freight forwarder!

##### Exemptions:

For deliveries which are subject to monitoring and approval requirements, as well as deliveries via supplier warehouses and invoicing by the domestic trading partner, the Contractor is responsible for import customs clearance itself. Hatz must be informed of the obligation to obtain approval. The Contractor shall bear the costs (fees and customs duties). It must ensure that only goods which are in free circulation in the EU are delivered.

##### Origin of goods and preferences:

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If the Contractor supplies goods that are preferentially favored when imported into the EU, the goods must be of such a nature that the relevant preferential conditions are fulfilled.

A movement certificate (EUR 1, ATR, Form A, declaration of origin, declaration of origin on the invoice, Certificate of Origin) must be issued for the entire scope of the deliveries and handed over to the recipient along with the goods.

If no movement certificate is presented for a consignment or part of a consignment, although the legal requirements for its issue are given, Hatz reserves the right to assert all rights to which it is entitled, in particular to charge the Contractor with the customs duty incurred. The same applies in the event that the preferential conditions are not met and therefore no movement certificate can be issued.

In the case of regular deliveries, care must be taken to ensure that a movement certificate EUR 1 is only issued in exceptional cases.

"pre declaration" - summary declaration for risk analysis:

The Contractor is obliged to provide the necessary data for the customs risk analysis in accordance with the provisions of the Union Customs Code. This data is to be forwarded to HATZ or to its commissioned service provider.

ATTENTION: Missing data for the "pre declaration" lead to delays in loading the goods and can be punished by the customs authorities as an administrative offence with a fine.


## 12.2. Licenses / Export Control

The Contractor undertakes to observe all national and international laws and other legal provisions applicable to the use and transfer of goods and information exchanged under this Agreement, in particular the applicable foreign trade laws and embargo provisions. If the Contractor supplies Hatz with tangible or intangible goods which are subject to export license requirements under German, EU and/or US export control law, it undertakes to forward the information mentioned below to (zoll@hatz-diesel.de)!

This information obligation includes:

- The indication of the classification numbers (e.g. export list number according to AWV, list number according to EC Dual-Use Regulation as amended, the ECCN according to EAR, other national identifiers), if necessary with reference to existing procedural simplifications;
- Truthful answers to the following questions regarding US goods:
  - o Are the goods subject to US (re-)export regulations? (Subject to the EAR/ITAR?)
  - o Was an "export license" required for export from the USA? If so, under what conditions? Were reliefs (e.g. "license exceptions") used?
  - o What is the commercial policy origin of the goods and their components, including technology and software?
  - o Have the goods been transported through the USA, manufactured or stored in the USA or manufactured using US technology?
- The provision of information material that may become relevant to the application for export licenses;
- The notification of the statistical commodity code (HS Code) of the goods;
- The indication of a contact person in the Contractor's company to clarify any queries from Hatz.

This duty of information shall continue to exist for the Contractor after the end of the business relationship.

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### 12.3. International Supply Chain Security


The Contractor confirms that it has obtained or applied for or will apply for the status of Authorized Economic Operator (AEO/AEO) through one of the following authorizations: (1) AEO authorization "Customs Simplifications" (AEOC), (2) AEO authorization "Security and Safety" (AEOS), (3) AEO authorization "Customs Simplifications and Security and Safety", so called combined authorization (AEOC and AEOS).

The Contractor undertakes that Goods which are produced, stored, transported, delivered to Hatz or taken over by Hatz:

- are produced, stored, handled, processed and loaded at safe operating sites and at safe transshipment locations;
- are protected against unauthorized access during production, storage, handling, processing, loading and transport;
- the personnel employed for the production, storage, handling, processing, loading, transport and acceptance of such goods are reliable;
- business partners acting on behalf of the Contractor are informed that they must also take measures to secure the above-mentioned supply chain.


### 13. Miscellaneous

- The Contractor must comply with the FIFO principle throughout.
- The Contractor is responsible for its internal and external logistical processes and any necessary coordination with HATZ.
- Every delivery to HATZ must be traceable for the Contractor through his production up to his raw material receipt.

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#### 14. List of Abbreviation


EDI	Electronic Data Interchange
DSP	Delivery Schedule Procedure
FAO	Food and Agriculture Organisation
GIBO	Grid Box
IATA-DGR	IATA Dangerous Goods Regulations
IPPC	International Plant Protection Convention
SCA	Supply Chain Agreement
SCS	Supply Chain Specification
SCM-AZ-D	Supply Chain Management – Order Centre – Material Planning
SCM-ZVE	Supply Chain Management – Customs & Shipping
SLC	Small Load Carrier
VDA	Verband der Automobilindustrie
VCi	Volatile Corrosion Inhibitor
VMI	Vendor-Managed-Inventory

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## Appendix 1

### Applications Packaging Design

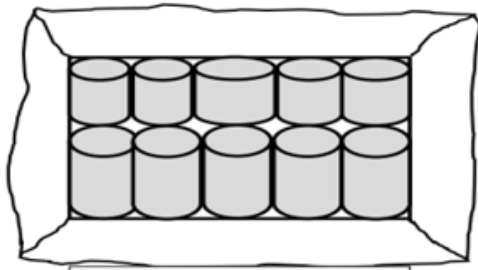
<div></div>  <h1>Overview Applications</h1>		corrosion protection / packing classes											
		Others	gray cast iron, fine casting, forgings (raw parts)	e.g. finished parts: castings, forgings, turned parts, gears, bearings	finished aluminium parts	sheet metal (unpainted)	sheet metal (painted)	injection components (pumps, valves, ...)	fuel lines	electronic components	rubber and plastic parts, seals	filters (air filter, oil filter, ...)	aluminium raw parts
corrosion protection		X	1	2	3	4	5	6	7	8	9	10	11
liquid corrosion protection	corrosion protection	according to individual agreement				X							
parts packed in VCI-bag, VCI bag sealed								X					
VCI-bags per frame-pallet/lattice box, VCI-bag sealed. E.G. additional other VCI-donor			X	X									
parts wrapped in VCI-paper								X					
plastic bag / plastic pouch	dust protection				X			X	X		X	X	
Packaging													
palett or lattice box (EURO-format 1200x800mm)			X	X	X	X	X	X	X	X	X	X	X
stackable packaging			X	X	X	X	X	X	X	X	X	X	X
with intermediate layers (cardboard, VCI, ...)				X	X		X	X					X
moisture barrier on bottom side (wood fiber plate 1150x750x3mm)					X	X				X			X

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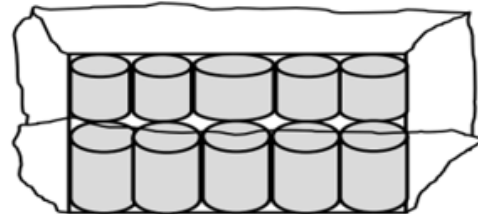
## Appendix 2

### Folding and gluing scheme for VCI-foils and bags

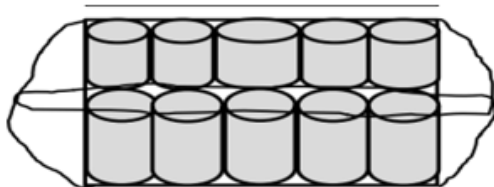
**Initial situation:** View on top of a packing unit



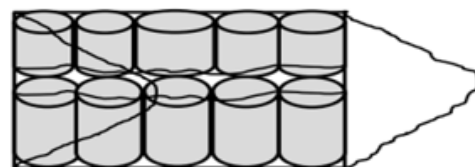
**2<sup>nd</sup> Step:** Fold first long side towards the middle



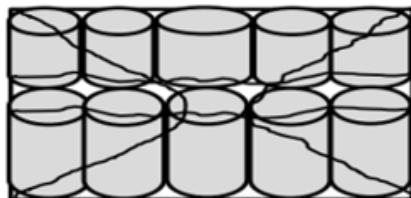
**3<sup>rd</sup> Step:** Fold second long side overlapping towards the middle



**4<sup>th</sup> Step:** Fold first cross side towards the middle



**5<sup>th</sup> Step:** Fold second cross side towards the middle



**6<sup>th</sup> Step:** Stick the package with tape once cross over



#### Attention:

In order to correct function of VCI, the foil/bag must be closed airtight!