

 perfectCOAT <small>COMPLETE COATING SOLUTIONS</small>	Process: Logistics	Document Number: PR.1.3.03	Date of Release: 01/06/2019
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Logistical specifications agreement

PERFECT COAT BV
Slootsekuilen 26
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“PERFECT COAT”

And

Supplier

Preface

These logistical requirements present claims of the supplier for the supply guarantee. The

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requirements are minimum standards that are binding for all suppliers and must be fulfilled by the beginning of serial delivery at the latest.

The supplier shall be responsible for fulfilling the requirements in the sense of a self-analysis and for implementing suitable measures to ensure the required supply guarantee at all times. Furthermore, the supplier shall also be responsible for ensuring supply as well as the fulfilment of the requirements specified here by the pre-material suppliers.

In case of questions about the content or the fulfilment of the requirements, the contact persons specified under Point 8.0 must be contacted.

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Logistical specifications for suppliers

1. Basic information

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1.1 Objective and field of application

These logistical specifications define the uniform regulations for all suppliers of PERFECT COAT. The objective of these specifications is to support problem-free material and information flow between PERFECT COAT and its suppliers in order to prevent problems in the value added chain. Furthermore, these specifications must serve in constant improvement of the quality, the delivery performance and the co-operation with the suppliers. It also defines the process to be followed in case of deviations as well as the responsibilities towards adherence to these regulations. If a supplier culpably violates the regulations in the specification at the time of a delivery and if this visibly affects the interests of PERFECT COAT, PERFECT COAT shall be entitled to deny the acceptance of the delivery or to send it back at the cost of the supplier.

1.2 validity and scope of validity

Unless otherwise regulated, the logistical specifications are general, uniform regulations that shall be applicable to all suppliers

The specifications shall become binding when they are conjointly included in the delivery agreement between PERFECT COAT and the supplier.

The logistical specifications shall be applicable from the specified date and shall continue to be applicable for deliveries to PERFECT COAT till their revocation. Changes to these logistical specifications may be made only by PERFECT COAT. The application of all the regulations mentioned here shall not have an effect on the relevant terms and conditions of purchase of PERFECT COAT or the agreements made in framework agreements or individual agreements.

In case of conflicts between the regulations of these logistical specifications and the terms and conditions of purchase, the regulations of these logistical specifications shall be applicable. However, the regulations of the terms and conditions of purchase shall be applicable in all other cases.

In case of conflicts between the regulations of these logistical specifications and the agreements concluded between the parties in framework agreements or individual agreements, the regulations of the agreements concluded between the parties in framework agreements or individual agreements shall be applicable.

1.3 Supplier responsibility

The supplier shall be responsible for adherence to the logistical requirements specified below and must ensure that these requirements are fulfilled by his sub-suppliers as well.

For the coordination of the logistical processing, PERFECT COAT must be provided with the names of direct contact persons along with their representatives, who are competent, provide reliable information and are authorised to take decisions. These contact persons must be reachable throughout the goods acceptance periods of PERFECT COAT. The “Purchased Parts” Planning Department of PERFECT COAT must be informed about every delivery bottleneck to be expected as a result of quality and schedule deviations immediately along with the reason for the same and an adapted delivery plan with binding schedules. If it is not possible to provide information directly, a deadline must be agreed upon with the contact person. Moreover, appropriate emergency numbers that can be used for contacting outside office hours must be provided for. Furthermore, the supplier must clearly define the authority to take decisions about implementing special measures (e.g. special transports, etc.), must ensure it at all times and must inform PERFECT COAT of the same. Adherence to the delivery schedules falls under the sole scope of responsibility of the supplier. If we do not receive a written objective within 2 working days, we shall consider it as confirmed.

2. Planning and data exchange

2.1 Scopes

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Irrespective of the schedule process, the scope of PERFECT COAT stocks shall extend up to the next schedule quantity to be delivered.

2.2 Requirement determination

PERFECT COAT sends weekly, standard delivery schedules as per VDA 4905. If no schedules are sent, the schedules from the previous week shall be applicable. All schedules are sent at the beginning of a month and only the changed ones are sent after that. Our purchase orders are sent either via fax, as a PDF, via the Internet portal, via email or as E-Procurement (requirement-oriented daily, weekly and monthly requirements).

2.3 Requirement information

The time frame as well as the call quantity of the requirement information can vary depending on the customer calls.

2.3.1 Delivery schedule - VDA 4905

If a delivery schedule is planned, the following points must be taken into account. The delivery schedule specifies daily, weekly and monthly requirements. The dates and quantities included in the delivery schedule define the exact goods receipt dates for PERFECT COAT. The base of the acceptance obligation for finished parts is the defined period of 4 weeks. The period is calculated from the time at which the change is announced. The acceptance obligation for raw material is 4 more weeks. In case of deviations, the relevant manager must be contacted.

A back order is also a delay in delivery and thus calls for special actions (e.g. special shifts, special transports). The regulations specified in the currently applicable terms and conditions of purchase must be used.

2.3.2 Just-in-time deliveries VDA 4915

The base of the just-in-time delivery is the delivery schedule. The quantities of the delivery preview (weekly requirement) are distributed equally over the 5 working days of the week. A binding goods receipt schedule with and quantity shall be specified. The manager in-charge must be contacted in case of deviations.

A back order is also a delay in delivery and thus calls for special actions (e.g. special shifts, special transports). The regulations specified in the currently applicable terms and conditions of purchase must be used.

2.3.3 Batch sizes

The delivery batch sizes must usually be as per the weekly requirements. If deviations from this regulation are necessary depending on the quantity, they shall be informed by the supplier to the Planning Department of PERFECT COAT immediately and shall require the relevant release by PERFECT COAT.

If a batch size deviating from the general regulation is allowed by PERFECT COAT, this shall become a part of the agreement.

3. Logistical requirements

3.1 Adherence to schedules and delivery quantity

The supplier shall be under obligation to adhere to the delivery schedule previously agreed upon with PERFECT COAT. If the deliveries that were made before the agreed delivery schedule are unacceptable to PERFECT COAT, PERFECT COAT shall deny their acceptance or shall send the goods back to the supplier at his cost.

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PERFECT COAT shall charge the supplier for the relevant delivery in the form of a management price of EUR 150. Moreover, the delivery must correspond with the order quantity of the order item. Partial deliveries shall be permissible only after prior consent of PERFECT COAT. If the supplier is unable to adhere to the delivery schedules, he shall inform PERFECT COAT about the same immediately.

3.2 Packaging guidelines

A packaging must be provided for every part. The packaging must be developed by the supplier in agreement with PERFECT COAT, unless otherwise agreed upon. It is a component of the purchased service. Every packaging must be released by PERFECT COAT after an internal process check. Reusable packagings must be used and standard carriers must be considered, taking into account waste prevention (only environment-friendly materials). If this is not possible, special carriers must be designed as reusable packagings.

The supplier shall be responsible for always delivering in good-quality packagings that have been defined and released by PERFECT COAT, as per the requirements of PERFECT COAT. A delivery in a deviating packaging shall be permissible only with the consent of PERFECT COAT. In case of non-adherence to the defined packaging by the supplier, PERFECT COAT shall charge the supplier EUR 150 as handling and repackaging costs for the storage, disposal and packaging material return. The aforementioned amount shall not include any other replacements by PERFECT COAT due to violation of regulations.

PERFECT COAT shall reserve the right to change the specified packaging during the serial delivery of the part. The selection of the packaging type is subject to the following requirements:

- Damage-free parts delivery (no effect on the quality)
- Transport safety
- Optimum load of the containers (filling degree possibly 100%, max. 15 kg in KLT packagings)
- Protection against dust and humidity
- Easy and ergonomic part removal
- Stackability for containers and cartons
- Adherence to the prescribed standard dimensions
- Guarantee of problem-free unloading of trucks using forklifts
- Reusable and recyclable external and internal packagings

3.3 Arrangement of loading units

Loading units must be delivered article-specifically and batch-specifically (no mixed pallets).

The articles must be delivered in defined and checkable quantities. Pallets must be packed without overlaps and the stack of a pallet should plane so that more loading units can be placed on it (stackable pallets). Pallet may not be overpacked anywhere (optimum filling degree). Bulges or inconsistent loads due to shifting, or transport damages must be prevented by means of effective transport securing devices (refer to annexe 1).

Refer to Section 4.0 Environmental aspects for more requirements for the arrangement of the packaging.

3.4 Marking of loading units

In order to ensure clear marking of loading units, the unit must be marked using the standardised and barcode-compatible goods tags (master labels) as per VDA 4902 (Annexe 3). Every packaging unit must be marked with at least the relevant PERFECT COAT article code, designation and quantity such that the marking is clearly visible externally (single proof). The marking for the goods must be selected such that it enables goods external legibility at all times (Annexe 2).

If the packaged good or the loading unit requires a special type of handling, then the packaging must be appropriately marked as per the nature (e.g. breakable, top-heavy, stacking factor, nonm-stackable) outside on the loading unit as well as individually on the packaged parts in order to ensure risk-free handling without damage to the goods. Old goods tags must always be completely removed and the glue dots for affixing the tags must be removed without any residues.

3.5 Documents accompanying the goods

The goods must be dispatched with the following documents and must be delivered to the Goods Receipt Department of PERFECT COAT.

The data contained in the documents accompanying the goods enable smooth goods acceptance for PERFECT COAT. Documents accompanying the goods without the relevant information or with incomplete information

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result in increased processing costs for PERFECT COAT, for which the supplier shall be charged an amount of EUR 150.

3.5.1 Delivery note

PERFECT COAT shall require a delivery note that describes the delivery accurately in order to shipment completion of the delivered goods. Two copies of the delivery note must be provided at the time of delivery. The following information must be present in the delivery note:

- . Supplier data (supplier number, name, address, telephone, person in-charge)
- . PERFECT COAT order number and item number
- . PERFECT COAT article code
- . Item designation
- . Batch number
- . Quantity (actual delivery quantity/quantity per container)
- . Total number of pallets and total number of loose packaged goods
- . Delivery address
- . Delivery note number of the supplier
- . In case of dispatch from third country or EU
 - Goods tariff number per article code
 - Cumulative net weight per article code
 - Gross weight per delivery packaged good
 - Desired delivery date as per the schedule

3.5.1. Customs documents

The customs documents must be provided in case of goods deliveries from non-EU countries. The supplier shall be responsible for the correct preparation of all documents necessary for the customs clearance, as well as for the handing over of these documents to the freight carrier. These include at the following:

T1 customs document
 Invoice
 Waybill / airwaybill

3.6. Delivery

In the PERFECT COAT goods acceptance, deliveries have been defined at the following times:
 Mon - Thu 07:30 - 16:00 hours Fr. 07:30 - 14:00 hours

It shall be the responsibility of the supplier or the shipper to obtain a delivery time window from our Goods Receipt Department 24 hours before the delivery of goods in case of complete loading or parts of its that are more than 20 pallets or 5 ldm. The relevant contact persons for this have been specified under the point Contact details.

Goods acceptance can be carried out outside these timings only after prior agreement with us. In such cases, please contact the relevant contact persons from the Goods Receipt Department.

3.7.1. Delivery condition

Usually, we deliver our goods “free to the buyer’s address” or to the “DAP delivery plant” as per the currently applicable version of Incoterms.

If the delivery agreement has however been concluded ex-works (EXW) due to the current order, then the shipper specified by PERFECT COAT must be employed. If the shipper is not known, PERFECT COAT must be asked about the same on time and before day of dispatch (for contact person, refer to the annexe). Transport costs resulting from dispatches that have not been agreed upon shall not be borne by PERFECT COAT.

4 Carrier processing

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4.1. Provision of reusable packaging

If it has been agreed upon in the relevant order that PERFECT COAT shall provide the reusable packagings, then the supplier must trigger a purchase order in time. Maximum containers shall be provided for the next delivery schedule free of cost (the quantity depends on the delivery frequency and is thus agreed upon individually with the supplier). The reusable packagings are transport containers and are thus not designed for batch size deliveries or storage at the supplier's site over several weeks. The supplier must provide separate containers for this. "Clean" containers are provided for pickup (i.e. loose packaging residues are removed). If the cleanliness of the containers does not fulfil the quality requirements of the material transported in them, the supplier must implement further cleaning measures at his own expense. The supplier shall ensure that the provided reusable packagings are weather-proof and that they can be stored such that they cannot be accessed without authorisation.

4.12. Container bottleneck

In case of a bottleneck, the supplier must contact the relevant employee from the Container Management Department of PERFECT COAT immediately (for Contact details, refer to the annexe).
 In case of lack of containers, the supplier has an obligation to supply. If the supplier causes a shortage of empties due to absence of orders, due to delayed or incorrect orders or due to minimum order of reusable packagings, the supplier must fulfil his delivery obligation against PERFECT COAT and must deliver the parts in another packaging to be provided by him (as per Point 3.3). The resulting additional costs (e.g. repackaging, labels, additional handling costs and disposal) incurred by PERFECT COAT must be borne by the supplier.
 If PERFECT COAT cannot provide sufficient reusable packaging in spite of a proper order, the supplier is entitled to charge PERFECT COAT for the additional costs after a written delivery release by the relevant employee in the Container Management Department.

4.2. Container accounts

If PERFECT COAT provides the supplier with reusable containers, then he shall receive a monthly carrier statement. The balance of all incomes and expenditures of the relevant supplier shall be presented in it.

The supplier shall be under obligation to check the statement immediately for the following points:

- 4.3. Debit and credit entries for correctness (type, quantity, date)
- 4.4. Correctness of the new current balance

PERFECT COAT must be informed about complaints immediately and in writing. The complaint must contain a itemisation of the complained posting activities, as well as copies of the confirmed delivery proofs as attachments (shipping orders). If no objections are raised against the carrier bill within four weeks, it shall become binding.

4.5. Carrier inventories

PERFECT COAT shall carry out an annual carrier inventory once a year. Information about the time and scope shall be provided by the Container Management Department of PERFECT COAT. If required, a carrier-specific special inventory can also be carried out. The supplier shall be under obligation to co-operate in the inventory. The supplier must be informed about inventory deviations, if any, immediately. We shall grant a period of 4 weeks to the supplier for the clarification of the same. At the end of this period, the compensation for the lost value of the relevant carrier shall be charged. The amount of the compensation shall depend on the re-procurement price of the relevant carrier.

5. Environmental aspects

PERFECT COAT shall consider the protection and preservation of the environment as an important

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responsibility. The certification of our environment management system as per DIN EN ISO - 14001 emphasises our claim of using existing environment-friendly resources. PERFECT COAT also obligates its suppliers to this claim.

In order to be able to fulfil these requirements and to not burden the environment unnecessarily, only environment-friendly materials must be used for the packaging. Packaging chip and wood wool, shrinking foil and steel bands are not allowed. The packaging material used must be comprehensibly recyclable.

6. Quality documents

If required, quality documents such as certificates, material proofs, etc. must be provided along with the delivery. In case of initial sampling, the sample as well as the documents necessary for the sampling must be provided along with the delivery; this includes at least the initial sampling protocol, other documents that have specifically requested in the protocol as well as proofs of the test values which have been requested in the protocol. If it is not acceptable for PERFECT COAT to accept the goods due to the absence of these documents, PERFECT COAT shall deny the acceptance or shall return the goods to the supplier. The resulting costs shall be charged to the supplier in the form of an amount of EUR 150. The aforementioned amount shall not include any other costs of PERFECT COAT.

7. Claims settlement and allocation

7.1. Claims settlements

In case of damaged goods, PERFECT COAT shall reserve the right to deny the acceptance of the goods or to return them to the supplier at the expense of the supplier, unless otherwise agreed upon. All costs resulting from the damage shall be borne by the supplier.

7.2. Costs for deviating deliveries

Deliveries deviating from this guideline result in considerable costs for the clarification as well as for a goods acceptance deviating from the standard processes during the process of goods receipt by PERFECT COAT. PERFECT COAT shall reserve the right to charge the supplier for these additional costs entirely.

The accounting shall be done as per the costs. An error report shall be prepared for deliveries deviating from this logistics guideline.

8. Contact details – PERFECT COAT

Contact for Beringe-plant: +31 77 3060 985

9. Annexes

- Annexe 1: Examples of defective packaging
- Annexe 2: Correct affixation of the goods tags
- Annexe 3: Sample of VDA Document 4902