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1 Objectives

This Logistics Guideline for CapEx and Toolings defines the basic requirements a supplier must fulfill in order to maintain a supplier relationship with MAHLE Behr plants. Conformance with these guidelines is mandatory while developing, implementing or executing supply processes.

This Logistics Guideline for CapEx and Toolings supplements the current versions of MAHLE Behr’s Terms and Conditions of Purchase (http://www.mahle.com/en/purchasing/terms-and-conditions-of-purchase/index.jsp) and Global Logistics Guidelines (http://www.mahle.com/en/purchasing/general-guidelines-for-suppliers/) which can be found on the MAHLE Homepage. Upon signing the minutes of the contract review meeting or accepting the Letter of Intent or a separate agreement the supplier undertakes to comply with MAHLE Behr’s general and specific logistics requirements.

2 Information and Communication

2.1 Availability of Contacts

The supplier shall provide to MAHLE Behr appointed contacts (and their deputies) for logistics issues who are qualified and authorized to make and execute decisions. These contacts must be reachable at all times during the relevant delivery period.

The supplier shall ensure that information regarding the status of deliveries throughout the supply chain can be obtained at any time. This must also include ensuring the availability of the responsible carrier.

2.2 Reporting Obligation

Any anticipated delay in delivery shall be immediately reported to the technical responsible at MAHLE Behr.

3 Delivery Concepts

3.1 General Requirements

The goal is to implement the cost-optimized and secure machine/ tool shipment taking into account transportation costs and necessary means of transportation.
3.2 Incoterms

MAHLE Behr uses the current valid version of the Incoterms as the basis for delivery terms. If not negotiated otherwise, DAP is the standard Incoterm.

DAP - Delivered at Place
The supplier is responsible for the shipment up to the unloading point specified by MAHLE Behr. The supplier is responsible for the goods being delivered to MAHLE Behr on time and bears all transportation costs and risk. In case of DAP deliveries the carrier may only be advised after its capabilities have been verified. Appropriate agreements shall be concluded with carriers in order to ensure the trouble-free transportation of goods.

FCA - Free Carrier (named place)
The supplier ensures that the goods are available on time and are loaded properly. Depending on the terms of the contract the supplier may be also responsible for advising MAHLE Behr's chosen carrier to collect the goods on time and thus is responsible for the delivery to MAHLE Behr being on schedule.

Incoterms generally do not regulate the transfer of ownership of the goods. The transfer of ownership is agreed in accordance with the regional procurement process applicable in each case.

3.3 Transport Insurance

In case of DAP, transport insurance has to be provided by the supplier as the transfer of risk only occurs when machine/ tooling is received in the corresponding MAHLE Behr plant.

In case of FCA the transfer of risk from supplier to MAHLE Behr is after loading the corresponding transportation vessel. In this case MAHLE Freight Insurance is applicable for all transportations world-wide up to a value of 3.5 mio EUR.

3.4 Air Freight

In case of air-freight delivery (independent of if it is due to prior planning or ad-hoc due to delays MAHLE is responsible for) the supplier has to make sure together with MAHLE to choose the best available freight charges. Therefore the supplier has to approach MAHLE proactively in order to get comparable prices.

In order to get alternative prices from MAHLE for airfreight, please contact the local purchasing responsible who is indicated in the Purchase Order.
3.5 Customs

Customs clearance responsibility is assigned per Incoterm definition. The supplier is responsible for correctly preparing the documents required for customs clearance in line with the current legal requirements in each case for importing goods into the recipient country. Any costs or consequential damage resulting from missing or improperly prepared customs documents and/or planning for customs formalities (e.g. preferential entitlement based on appropriate trade agreements) will be charged to the supplier (e.g. duties incurred due to insufficient proof of preferential origin).

3.6 Certificate of Origin and Proof of Preferential Origin

Care must be taken to ensure that any customs and shipping documents, invoice statements or authorisation numbers, which facilitate the duty free import of the goods under preferential trading circumstances and arrangements, are made available at the time of the importation. Failure to do so will result in MAHLE Behr entity on RiQ seeking full restitution of any import duties paid.

Further clarification on the above can be obtained from your responsible purchasing contact.

4 Packaging and Labeling of Goods

4.1 Regulations regarding Transport Containers/ Packaging specific to MAHLE Behr

The supplier is responsible for providing suitable packaging for transport and handling of machines/ tooling for shipment to the place of delivery. The supplier shall also document the packaging concept using standardized documentation and submit this to MAHLE Behr before the contract is awarded.

Regardless of the type of packaging used it shall be guaranteed that:

- Machines/ toolings are supplied undamaged, necessary protective measures have to be ensured
- Packaging is stable with respect to condition, shape and volume, and stackability
- Space is used most efficiently in containers
- Packaging is easy to unload using a forklift truck (if applicable to the size of the delivered machine/ tooling)

When using wooden packaging materials the laws of the recipient country shall be observed (such as the international standard ISPM15 issued by the International Plant Protection Convention (IPPC), for example).

If packed on pallets, the packaging must not extend beyond the overall dimensions of the pallet.
4.2 Overseas Packaging

When shipping overseas packaging must be used which satisfies the requirements regarding stackability, transport loads, import regulations for wooden packaging material etc.

MAHLE Behr’s requirements regarding optimal use of space in shipping containers should be taken into account when planning the size of packaging.

4.3 Airfreight Packaging

When shipping by plane packaging must be used which satisfies the requirements regarding stackability, transport loads, import regulations for wooden packaging material etc.

4.4 Packaging Recycling and Waste Prevention

Packaging must always be planned with economic and ecological aspects. The waste-economic objectives of the environmental legislation contain corresponding ecological priorities:

- Packaging waste prevention
  Packaging waste to the absolute necessary extent
- Packaging minimization
  Packaging must be defined according to ecological and economic criteria and only the necessary packaging should be used
- Packaging recycling
  Reusable and disposable packaging must be environmentally compatible
- In order to meet the requirements of the packaging legislations and not to burden the environment unnecessarily, only environmentally compatible materials are to be used.

5 Regional Guidelines

Regional specifics can be detailed in separate regionally applicable Logistics Guidelines which supplement the global Logistics Guideline. The supplier must therefore take into account and adhere to relevant regionally applicable Logistics Guidelines. These regional Logistics Guidelines can be found on the MAHLE homepage.

6 Non-Compliance and Consequences

In the event of non-compliance MAHLE Behr reserves the right to invoice the supplier for any additional costs incurred (e.g. damages at machine, non-compliance with preferential agreement etc.).