

Appendix MODYF_04

Supplier Regulation

July 2020

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1. Preamble

The purpose of these guidelines is to ensure that ordered materials and items are supplied to logistics centers or drop-shipped directly to customers in the right quantities, the right quality and at the right time as well as in the right order and in the most cost-efficient way possible.

1.1 The following basic principles aim at ensuring the proper handling of these processes:

- 0 errors in logistics and quality
- High delivery readiness/service degree
- Low stocks
- Avoiding special shipments
- Avoiding stock-outs
- Flexibility to react to changes in demand
- Correct delivery handling
- Standardized booking and transport processes and documents, information and communication processes while avoiding the use of different types of media.

2. General remarks

Without prejudice to the agreed terms of delivery, the following ordering, transport and packaging instructions shall be deemed an integral part of our purchasing terms.

- 2.1 If applicable, we will bear any transport costs in accordance with the agreed terms of delivery.
- 2.2 These transport and packaging instructions shall be subject to specific instructions or agreements between the supplier and us in individual cases.
- 2.3 Higher transport costs caused by changes of the stipulated type of shipping, such as e.g. airfreight, railway express, quick parcel service, courier services etc. are only accepted if such a type of shipping is expressly requested by our company.
- 2.4 Sellers may insure shipments at their own expense. We do not accept any insurance charges.
- 2.5 The present version of July 2020 replaces and supersedes all previous versions.
- 2.6 The transport and packaging instructions shall apply to all orders/deliveries to our central German warehouses in Künzelsau-Gaisbach and Neu-Kupfer, to our shop in Künzelsau-Gaisbach or other specified delivery addresses.

- 2.7 The supplier shall be responsible for complying with and implementing the delivery agreement from its own warehouse/production site incl. any sub-suppliers to the agreed passing of risk at the incoming goods department of Würth MODYF.
- 2.8 Goods must be handed over to the forwarding agent at the right time to ensure we receive the goods at the agreed delivery date. The supplier is responsible for the due and careful transfer of the shipment, taking into account the characteristics of the products that are shipped.
- 2.9 Any deviations from the process description and delivery dates or quantities have to be reported immediately (within two working days after receipt of the order). Corrective action has to be taken and communicated accordingly without delay. In the event of deviations caused by or within the reasonable control of the supplier, any additional costs incurred shall be borne by the supplier responsible.

3. Ordering instructions

3.1 Orders and consignment stock withdrawals

Orders are placed in the generally used formats (e-mail, fax, letter), constituting the basis of the following workflows.

- Stock differences, changes of quantities and delivery dates by our customers and other unplanned influences must be taken into account.
- Withdrawals from consignment stock reflect the current demand situation
- Should there be any problems with quantities or delivery dates, the responsible materials planner has to be informed as soon as the problem is discovered (no later than two working days after discovery)
- Any deviations which have not been approved prior to delivery will not be accepted and any resulting costs are charged to the supplier

Delivery schedules for the incoming goods department are transmitted at the pre-defined times. Based on the lead times agreed with the service provider as well as the delivery hours at the incoming goods department, a continuous workflow can be ensured.

3.2 Direct orders of drop shipments

The transmission of so-called drop shipments from the supplier directly to end customers are handled in the same way as the above orders.

3.3 Item number

The ten-digit Würth MODYF item number must always be included on the delivery note.

Example: M003 259 002

1. 2. 3.

1. Product prefix number: describes the type of goods
2. Consecutive number
3. Size

3.4 Order number

The order number must always be included on the delivery note.

Example: 83562587

4. Types of shipment

All shipments to our companies are subject to the following shipping guidelines.

4.1 Parcel shipments

Shipments from suppliers within the Federal Republic of Germany should preferably be handled by one of the parcel service providers listed below:

- DPD (Deutscher Paket Dienst)
- GLS
- UPS

Parcel shipments have the following characteristics:

- Maximum of 20.0 kg per parcel
- Maximum of 10 parcels
- Package sizes/length and girth (length + 2x width + 2x height) of up to 3m
- Maximum length of 1.75 m per parcel

When delivering individual packages, the recipient and sender/supplier must be clearly marked on the outside.



bis 10
up to 10



bis zu 10 Pakete: Lieferung mit Paketdienstleister
up to 10 Parcels: Delivering with parcel service



über 10
over 10



über 10 Pakete > Lieferung mit Spedition
over 10 Parcels > Delivering by forwarding agency

All shipments that do not meet the above characteristics for parcels must be shipped to Würth MODYF in keeping with the specifications made under 4.2.

4.2 Pallet and LCL shipments

- Pallets must be delivered by truck.
- A pallet unit shall comprise cardboard boxes of the following size:
40 x 60 cm (width x length)
- Each box may only be filled with one type of item; the content of the box must correspond to the item listed on the label. Furthermore, the product's trade dress must comply with the specifications by the product manager (labels, folding instructions, etc.).
- All shipments generally have to be loaded onto undamaged EUR pallets (measuring 800 x 1,200 mm) with DB quality marking RAL RG 993.
- Preferably, pallets should be loaded with only one type of item and only with one single or related orders. If mixed pallets cannot be avoided, the items must be packed according to the below specifications.



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- Loose or bulk goods must be delivered in robust cardboard boxes, which may not exceed 20 kg per package, and must be marked with the quantity per package. Each package may only contain one type of item; other items must be packed in separate packages.

- All containers must be arranged properly on the pallet to ensure a compact and secure transport unit without overhang to ensure Würth MODYF does not have to repack a pallet. The transport unit must be packed so the labels of each package are visible on the outside without having to repack the pallet.
- Each pallet must be sufficiently secured (transparent shrink wrap / ratchet straps / strapping band).
- Pallets packed with individual packages may not exceed the following loading heights and total weights after a pallet has been fully packed.
- Loading of a swap body: Pallets may not be stacked or loaded with the long side across the body.
- The following applies to all products:
Loading height incl. flat EUR-pallet: 1.80 m; total weight incl. flat EUR-pallet: 650 kg
Exceptions will be agreed by contract where necessary.



4.3 Delivery of containers

The transfer of goods is subject to the requirements set out under 2.8.

Every container delivered must be accompanied by a packing list containing the following information:

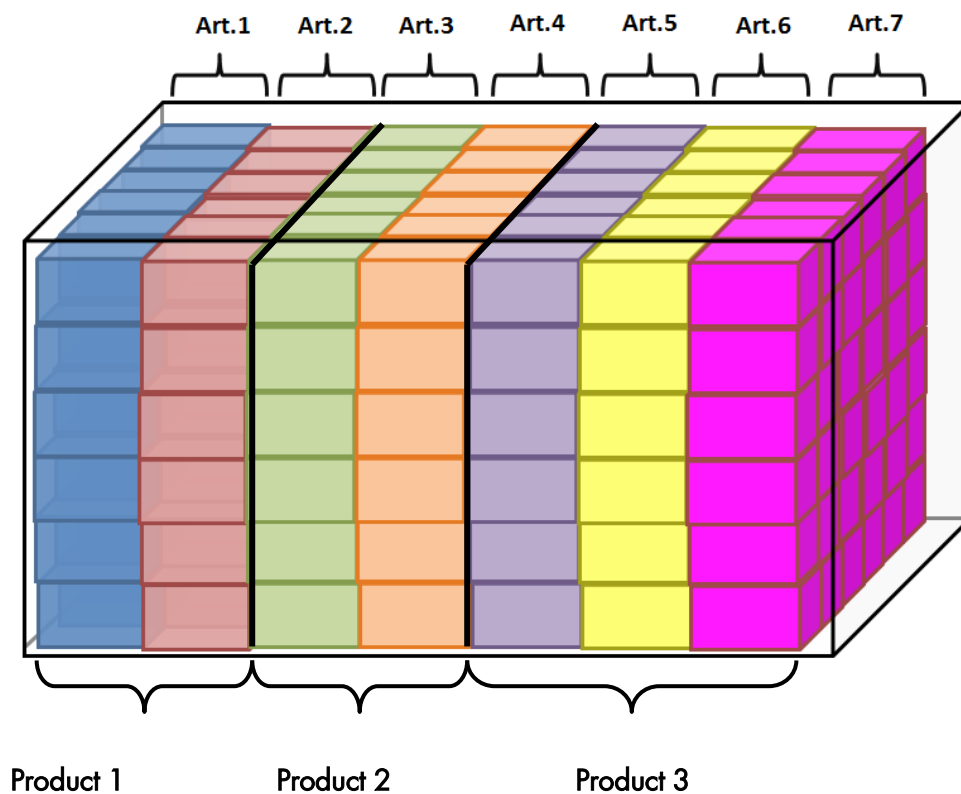
- Order number
- Seven-digit product number (M123456)
- Quantity
- Number of packages

- Gross and net weight
- Consignor

A service provider commissioned by Würth MODYF will be responsible for handling shipping advice notes and containers at Würth MODYF.

Container loading information

A packing pattern must be provided for each container, illustrating how to unload the container. Boxes of the same size containing the same items shall be stacked onto each other, ensuring boxes with the same contents stand side by side.



Example of a packing pattern

Bestellung:
 OUR INV.#
 Gesamtkartonanzahl 156

Reihe 3			Reihe 2			Reihe 1		
Bestellung	Artikel	Kartonanzahl	Bestellung	Artikel	Kartonanzahl	Bestellung	Artikel	Kartonanzahl
8...	M123406002	26	8...	M123406002	26	8...	M123406002	26
		26			26			26
52			52			52		

Ende Fahrercockpit

5. Package labeling

All packaging must be labeled with unambiguous information on the content, including the Würth MODYF item number, the quantity and the order.

- 5.1 The front side of individual boxes must bear the Würth MODYF label in the top right corner, indicating the item number, description, size, color, order number, supplier number, quantity of boxes, box number, EAN code.
- 5.2 The contents of the individual packaging items must correspond to the information on the labels.
- 5.3 The delivery note must be attached to the package according to the below illustration.
- 5.4. In addition, a pallet label must be attached to the top left corner of each pallet's front side. The label shall bear the same information as the packaging label, also indicating the overall quantity of items on the pallet (for single-item pallets).



6. Handling of shipments

The rules on the handling of shipments only refer to the shipping and/or collection points agreed and defined by both parties at the time these Supplier Guidelines were issued. The supplier must notify Würth MODYF of any additional shipping points, which are subject to Würth MODYF's prior approval. In the event the supplier fails to deliver only from the agreed shipping points, resulting in higher transport costs, Würth MODYF reserves the right to charge these costs to the supplier.

- 6.1 All deliveries made on the same day have to be consolidated into one shipment.
- 6.2 From 10 packages per day, the goods must be loaded and shipped on pallets.
- 6.3 Partial shipments are subject to prior approval.
- 6.4 In Germany, the exchange or shipment of EUR-pallets is generally handled by the service provider and the consignor or customer (Würth MODYF).

7. Delivery address/delivery times

7.1 Unless agreed otherwise, the shipping address is:

Würth MODYF GmbH & Co.KG
Robert- Bosch Straße 1
74547 Neu- Kupfer

7.2 Further receiving addresses may be agreed as necessary.

7.3 Delivery times:

Mondays through Thursdays: 7.00-9.00 h, 9.15-12.15 h, 12.45-15.00 h

Fridays: 7.00-9.00 h, 9.15-12.15 h

8. Accompanying documents

All documents, receipts, and labels must be prepared in German or English. The documents must be made out in a clear and easy-to-read font size.

8.1 Transport order

8.1.1 Every shipment has to be handed over to the forwarder together with a transport order.

8.1.2 The delivery note has to contain the following order details.

- Address of sender (supplier)
- Würth MODYF shipping address
- Würth MODYF order number (also serves as the shipment ID)
- Shipment terms according to our order
- Number of packages belonging to the shipment
- Number of packages per item number and pallet
- Total weight of the shipment
- Hand-over date or dispatch date of the shipment
- List of enclosures (only EU and third countries)

8.2 Delivery note (only Germany and EU)

8.2.1 An original delivery note must be added to each shipment. The delivery note has to be attached visibly to the front of the package with a red shipping document pouch.

8.2.2 In the event of a multiple-piece shipment, the package containing the delivery note has to be marked visibly.

8.2.3 If the shipment comprises several pallets, the delivery note has to be attached visibly to the front of the first pallet with a red shipping document pouch.

8.2.4 The delivery note has to contain the following order details:

- Sender
- Supplier number
- Order number
- Materials planner
- Ten-digit Würth MODYF item number
- Purchase quantities
- Customs tariff code
- Country of origin
- Gross and net weight

8.3 Packing list (third country)

Every transport unit delivered must be accompanied by a packing list containing the following information:

- Sender
- Supplier number
- Order number
- Materials planner
- Ten-digit Würth MODYF item number (e.g. M123456789))
- Purchase quantities
- Customs tariff code
- Country of origin
- Gross and net weight
- Packing pattern of the transport unit

This information must also be included on the labels of each individual package.

The packing list must be sent to the materials planner before shipment. The invoice, the bill of lading (B/L), and the preferential certificate of origin must also be sent to the materials planner before shipment.

8.4 Invoice

The invoice must contain the following information.

- Supplier's address
- Würth MODYF address
- Order number

- Seven-digit product number (M123456)
- Product name
- Price
- Quantity
- Customs tariff code
- Country of origin
- Incoterm
- VATIN (mandatory for all deliveries made within the European Union)

8.5 List of container content

Every shipment comprising more than one container must be accompanied by a container content list in Excel format.

- Supplier
- Würth MODYF address
- Container number
- Products in each container (e.g. M 000 000)
- Quantity
- Invoice value

8.6 Bill of lading / Airway bill

Unless agreed otherwise, the B/L has to be issued as a telex release. If the parties agree that the B/L is not issued as a telex release, two original copies of the B/L must be sent to Würth MODYF. In the event storage charges are incurred due to the supplier sending out the B/L too late, the costs incurred will be charged to the supplier.

Würth MODYF must receive the airway bill by e-mail before shipment. The original airway bill must be submitted afterwards.

9. Customs

All documents, receipts, and labels must be prepared in German or English. The documents must be clearly legible.

The supplier must comply with the specifications set out in sections 9.1 and 9.2. Should the supplier fail to comply with these requirements, the supplier company shall be liable for any resulting damage incurred by Würth MODYF, including any subsequent claims for foreign import duties (see section XIII "Export control and customs" of the General Purchasing Conditions of Würth MODYF GmbH & Co. KG).

9.1 EU suppliers

Goods of preferential EU origin always require a long-term supplier's declaration according to Regulation (EU) 2015/2447. The original declaration shall be submitted to the following address every two years at the latest:

Würth MODYF GmbH & CO.KG
Abtlg. Stammdaten
Benzstr. 7
74653 Künzelsau-Gaisbach

The goods delivered must correspond to the information provided in the long-term supplier's declaration. Deviations are only accepted after prior approval. In the event of approved deviations, the supplier shall adapt the long-term supplier's declaration immediately without being requested to do so.

If a preferential EU origin cannot be attested, a certificate of origin must be issued and the original certificate must be included in the shipment. The supplier must bear the costs for this document.

9.2 Third-country suppliers

Before sending any documents, the documents must be submitted to Würth MODYF by email. The original documents may only be sent to Würth MODYF after Würth MODYF's prior approval. The distribution of any resulting shipping costs is agreed in the supplier agreement.

All export freight charges have to be borne by the supplier. All documents required for cross-border shipments have to be attached to the shipment by the supplier at its own expense.

Any required accompanying documents must be filled out correctly and submitted to our preferred forwarder. See section 8 for the information required on these documents.

The following documents and receipts must be presented on import: delivery note, packing list, packing pattern in the event of container shipment, invoice or pro forma invoice, way bill (road freight: CMR way bill, air freight: airway bill, sea freight: bill of lading), for shipments from Turkey: ATR certificate.

If contractually agreed, the shipment must be accompanied by a certificate of preferential origin for products of preferential origin. When issuing a EUR1 certificate, the original certificate must be enclosed to the shipment. A certificate of origin must be issued for all products of non-preferential origin. The supplier shall bear any resulting costs. The original certificate must either be enclosed to the shipment or sent by courier.

10. Transport costs

- 10.1 All shipments not delivered duty paid have to be handed over to our preferred forwarders without any preliminary expenses.
- 10.2 Insurance and packing expenses, storage and transfer costs, or potential preliminary freight costs are not accepted.
- 10.3 Any costs incurred when shipping original documents shall be borne by the supplier.

11. Delivery reliability (short or excess deliveries)

Delivery reliability is measured using the following criteria:

- Delivery quantities with a maximum tolerance of +/- 5 % per item line and size.
- Agreed delivery times to incoming goods department must be observed.

Würth MODYF reserves the right to refuse acceptance of quantities delivered in excess of 5 % of the call-off order and/or return excess quantities as general cargo to the supplier at the supplier's expense.

Würth MODYF reserves the right to order special deliveries at the supplier's expense in case of short deliveries of >5 % which do not correspond to the call-off order and to charge any costs resulting from out-of-stock situations at Würth MODYF or Würth MODYF's customers to the supplier.

The order is considered to be fulfilled if the quantity delivered is within the specifications (+/- 5 %). Any remaining goods may not be delivered.

12. Reporting faults (penalty system)

Any costs and damage resulting from a supplier's failure to observe our shipping instructions must be borne by the supplier.

An action plan needs to be submitted detailing how any logistic discrepancies other than delivery dates and quantities can be avoided in the future.

Examples: Packing guidelines

- Mixed deliveries

- Delivery on damaged EUR pallets
- Delivery exceeds basic handling size

Examples: Administrative information

- Wrong or no order number
- Wrong or no item number
- Wrong goods delivery
- Missing delivery note
- Excess/short deliveries
- Insufficient sorting/labeling of items

13. Returning rejected goods

The supplier has to pick up rejected goods within seven (7) working days after receipt of the complaint. Exceptions can be agreed individually with the Würth MODYF purchasing department. In the event the rejected goods are not picked up within this seven-working-day period, Würth MODYF will arrange for the goods to be returned "ex works" by its service providers.

The handling of goods to be returned to a third country is the supplier's responsibility, who has to arrange the return in coordination with Würth MODYF. The transport costs as well as any export freight charges must be borne by the supplier.

14. Shipment of dangerous goods

All statutory requirements governing the transport of dangerous goods must be observed. The supplier will be held liable for all damage arising out of the supplier's failure to observe these statutory requirements. Other handling processes or the use of other service providers or shipping methods require the prior written consent of the customer.

The consignor, being the shipper or sender of the goods, is responsible for complying with all requirements of the German regulations on the carriage of dangerous goods (GGV). Only design-tested and approved packaging may be used for transport. All packaging must be labeled in accordance with applicable regulations.

Data sheets, approvals etc. must be made available to Würth MODYF in due time before the first shipment. These rules apply to all shipments.

- When packing limited quantities (LQ) in accordance with Chapter 3.4 ADR, the supplier must observe all requirements for combination packaging and the marking of combination packaging.
- Only type-approved packaging (e.g. cardboard packaging, jerricans) may be used to package dangerous goods in accordance with the Hazard Classes set out in the ADR and in accordance with the rules contained in the IMDG in case of sea freight.
- The way bill or delivery note must be added the corresponding dangerous goods information (including, but not limited to, hazard identification number, Hazard Class, packing group) according to RN 202(3a) ADR.
- All packages containing dangerous goods must be clearly marked with all dangerous goods labels as set out in Chapter 5.2. ADR.
- Information on dangerous reactions with water must be added as well.
- The delivery note must contain information on the manufacturing date or expiry date of all articles with a limited shelf life.
- The supplier is responsible for ensuring the proper transportation of dangerous goods.

Shipments of certain goods and the corresponding transport regulations are subject to further restrictions or excluded entirely.

These shipments are listed in appendix no. 4 of these Supplier Guidelines and therefore constitute an integral part of these guidelines. In the event an order of the customer results in the shipment of these goods, a separate service provider and thus a different shipping method has to be selected together with Würth MODYF.

ADR = European Agreement concerning the International Carriage of Dangerous Goods by Road

IMDG = International Maritime Dangerous Goods Code

15. Final remarks

15.1 In case of questions regarding the handling of transport and packing, please get in touch with the respective contact person before shipping the goods.

Area	Responsible	E-mail
Deliveries, appointments	Purchasing	Einkauf@modyf.de
Customs handling	Transport logistics	import@modyf.de
Packaging, transport materials	Logistics	Wareneingang@modyf.de
Trade dress	Product management	produkt@modyf.de

- 15.2 Any costs resulting from the failure to observe our transport and packing guidelines are charged directly to the supplier. If necessary, goods are returned at the supplier's expense.
- 15.3 Due to the extra administrative expenses resulting from such returns, we charge a flat handling fee of EUR 100,00 per delivery.

1/13/2022

Date

Signature supplier