

24. Appendix to the Supplier Manual b&m USA

This manual is applicable to all suppliers. If supplier does not have the ability to supply accordingly, they must inform baier & michels before their shipment. All deliveries to our company have to be carried out according to the shipping terms agreed.

a. Transportation

1. Delivery Address:

U.S.- & non-European suppliers:

baier & michels USA, Inc.
65 Brookfield Oaks Drive
Greenville, SC 29607
USA

European suppliers:

baier & michels USA INC.
HUB-EUROPE
Carl-Schneider-Str. 1
64372 Ober-Ramstadt
DEU

Higher transport costs due to a change of the following regulation regarding the way of transport, e.g. airfreight, railway-express, express parcels, courier services are only accepted if explicitly approved by b&m. Higher transport costs due to the selection of non-b&m partner carriers have to be covered by the supplier if not explicitly approved by b&m. The seller is free to insure the consignment at its own cost. Insurance costs charged to b&m will not be accepted.

2. Ex works consignments:

Please always contact b&m logistics department before shipping out parts. It is necessary to provide tracking information and shipping documents once shipment has been shipped out. Ex works consignments are subject to the following forwarding instructions:

US-suppliers

Consignments which can be sent by a parcel service are to be sent via our contract partner FedEx – if not other advised always use Ground Service. Consignments have to fulfill the following standard:

- maximum of total weight per delivery: 100 lbs./45 kg

The supplier has to assure optimal capacity utilization of the parcels in the interests of b&m.

Consignments which cannot be sent by parcel service are to be sent via our LTL contract carrier, Old Dominion Freight Line, only. Please contact baier & michels logistics department for preferred FTL carrier in case the consignment exceeds 15 pallets / 10,000 lbs.

Non-European suppliers

Suppliers abroad shall contact logistics department and ask for b&m contract carrier.

European suppliers

Suppliers in Europe shall contact auftragsannahme.worms@dhl.com for non-parcel shipments.

b. Dispatch

Insurance and packing charges, storage charges and additional costs in connection with the transport as well as possible prior carriage charges will not be accepted by b&m and subtracted from the invoice. Stamped delivery of our consignments in which the freight charges are included in the invoice will be refused and the freight charges stated will be subtracted. As far as deliveries are carried out by the supplier himself, delivery fees are accepted up to the value of charges b&m agreed with its contract carriers.

Multiple deliveries on the same day have to be combined into one consignment.

In case of dispatch of multiple shipments per Purchase Order line the supplier is to use subsequent alphabetical indexes on all shipping documents and shipping approval. e.g.

- 1st shipment: BMUS-00810012-a
- 2nd shipment: BMUS-00810012-b
- 3rd shipment: BMUS-00810012-c

Dispatch of Hazardous Materials

- The terms of transport for hazardous materials are to be followed precisely. The supplier is responsible for all damages resulting from the noncompliance of the statutory provisions.
- For the packaging of limited amounts (LQ) according to chapter 3.4 of ADR, the requirements for compound packaging and their labeling have to be fulfilled.
- Regarding the packaging of hazardous materials only type-approved packaging (e.g. cartons, canisters) are accepted according to the individual classes in ADR and regarding sea freight according to the specifications of the IMDG-Code.
- The bill of lading or packing slip has to include the relevant information on hazardous materials (amongst others reference number, hazardous material class, packaging class) according to ADR.

c. Documents

The contract carrier has to receive proper consignment documents and accompanying documents:

1. Bill of Lading

- Every consignment is to be handed out to the carrier together with a transport order.
- The transport order has to include following information:
 - Consignor (supplier) address
 - baier & michels consignee address

- baier & michels order no. (which is also the primary identification of the consignment)
- Terms of delivery according to order
- Number of parcels belonging to the consignment
- Total weight of the consignment
- Delivery date, respectively the date of shipment of the consignment

2. Packing Slip

- Every consignment has to include an original packing slip. The packing slip has to be fixed clearly in a pouch at the front side of the parcel.
- If a consignment consists of several parcels, the parcel which includes the packing slip must be signed clearly.
- The packing slip has to include following order regulations:
 - Purchase order number
 - baier & michels item number
 - vendor number
 - Batch number(s)

3. Packing list

If a consignment consists of more than one packing piece or pallet, the packing slip has to include the packing list for each transport lot with following order information:

- Shipping unit number or number of the pallet
- baier & michels item number
- Batch number(s)
- Packing slip number that packing list is referring to
- Amount if the item
- Amount and content of the single packaging

This information has to be noted clearly on the marking of the single packaging. The content of the single packaging has to be equivalent to the markings.

- All packaging including hazardous materials are to be indicated clearly with the prescribed documents for hazardous material according to chapter 5.2 ADR.
- Specifications about the danger to water are obligatory.
- Packing slips of perishable articles have to contain the date of production.
- Only qualified companies are to be appointed for the transport.

4. Document submission Invoices/ASN

All shipping documents including but not limited to packing slips and invoices are to be sent via e-mail to logistics-us@baier-michels.com, with invoices for payment sent to, mm-us@baier-michels.com no later than 24 hours upon dispatch of material.

Original documents are to be mailed to the attention of the Scheduling department.

5. Inspection Plan, Material Certificate

If Inspection Plan and/or Material Certificate are required, please send a copy via e-mail to quality-us@baier-michels.com

d. Packaging

1. Pallet

- Standard wooden pallets are allowed for sea and air freight.
- Loading height included Euro flat pallet is 3.6 ft./1,100 mm.
- Total weight of the pallet may not exceed 1,873 lbs./850 kg.
- Maximum 2 different batch numbers per pallet. To pack batch with the bigger packing volume at the bottom of the pallet, batch with smaller packing volumes on top. Different batches need to be clearly marked on boxes and pallets.
- Overseas suppliers have to use wooden protection at every corner and the top of the pallets in order to avoid damages of goods and cartons.
- The pallet units have to be shrink-wrapped or fastened with non-metallic strap or steel tape.

3. Packing unit

- Maximum weight 27 lbs./12 kg per unit
- Strong expendable (cardboard) boxes are acceptable
- Full packing units per item, subsets or partials are not allowed and are subject to rejection upon arrival. Additional cost incurred may be debited to supplier.
- Every packing unit shall be delivered with an affixed label and marked with b&m item number, batch number and pack quantity, preferably provided with material tags (label) according VDA-reference 4902 or similar.

4. General

- Packing pieces have to be arranged on the pallet ensuring a compact and secured shipping unit without overlap.
- The goods have to be packed properly in order to avoid being damaged and in an adequate, suitable way for all modes of dispatch.
- The compilation of packing pieces and pallets has to be carried out in relation to the orders and articles. Orders and articles must not be spread across several pallets and packing pieces.
- Pallets holding more than one batch number shall be clearly marked as mixed pallet.
- The supplier has to bear transport resulting from poor packaging which are not accepted by the insurer.
- Every change of packing direction of goods has to be confirmed in advance by b&m. That includes also dimension and quality of cartons, pallets or packaging units. Disregard may cause repacking effort which b&m will charge to the supplier. If no specific packaging is agreed, a neutral design of the packaging, without Logo or other signs of the supplier, is requested.
- All above mentioned conditions are invalid if specified different handling for single shipments has been agreed.

e. EDI

If EDI handling is agreed, the supplier receives call-off information from b&m according to VDA 4905 / VDA 4913 / VDA 4915. The supplier likewise sends an electronically transmitted DFÜ delivery note according to VDA at the request of b&m. The delivery call-off is deemed to have been accepted if the supplier does not object to it within 48 hours. The objection is to be transmitted in writing to the scheduling logistics department of the affected b&m location. Supplier preferring EDI handling shall contact their b&m local purchasing contact.

In any case of questions to the b&m local appendix please contact your local b&m purchasing contact person.

f. Declaration of Origin of Goods

If the supplier's place of business and/or production plant is located in the European Union, in accordance with the valid regulations concerning the preferential origin of goods, the supplier must issue a declaration pursuant to Regulation (EU) No. 1207/2001 in the respectively valid version (individual or long-term declaration).

- Furthermore, the supplier must disclose the non-preferential origin of goods (in terms of commercial law) pursuant to Art. 22 ff. Regulation (EU) No. 2913/92 and Art. 35 ff Regulation (EU) No. 450/2008 in the respectively valid version. The disclosure must take place together with the issuance of the supplier declaration on the preferential origin of goods.
- The Country of Origin has to be declared in accordance with ISO 3166 Alpha-Code and must not contain undefined declaration like EG, EU, EWR etc.
- As a general principle, with the order or – in the case of an ongoing business relationship – annually, the supplier shall receive a request for the submission of a supplier declaration by letter or E-Mail from b&m.
- The supplier shall submit a signed supplier declaration to b&m within a period of four weeks following the receipt of the request, but not later than at the time of delivery.
- As a general rule, each (long-term) supplier declaration must be signed by hand. The responsible individuals must be identified by name and their position in the company must be disclosed.
- The declaration of commitment must be sent to: baier & michels USA, Inc.
65 Brookfield Oaks Drive, Greenville, SC 29607 USA
- The supplier prints the supplier declaration on its own business stationary and is under obligation to ensure that the wording of the submitted supplier declaration corresponds exactly to the legal stipulations of Regulations (EU) No. 1207/2001 in the respectively valid version.
- The supplier declaration must contain an exact description of the delivered goods as well b&m article number in order to ensure that the goods can be clearly identified.
- The supplier must notify b&m without delay (to: baier & michels USA, Inc., (65 Brookfield Oaks Drive, Greenville, SC 29607 USA) if the disclosures provided in connection with a long-term supplier declaration no longer apply.

- In addition, the supplier must also notify b&m in written (to: baier & michels USA, Inc., (65 Brookfield Oaks Drive, Greenville, SC 29607 USA) and without delay if turns out that declarations issued in the past concerning the preferential and non-preferential origin of were issued wrongly.

If the supplier's place of business and/or production plant is located in a country with which an EU and US free trade agreement is in existence, the supplier shall issue documentary proof of preference (movement certificate / declaration of origin on the invoice) for each delivery. The provisions of the free trade agreements must be observed.



Henning Bundtzen
VP of Operations

Date and authorized signature

Name and function

Supplier company name / company stamp

b&m internal notation:

Date/signature:

Name/function:

b&m location:

Supplier manual including appendices to be sent to: patrick.reed@baier-michels.com