



TRISTONE



Tristone Supplier Logistics Manual
Logistics Requirements of Tristone Group
Release 1.0.

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Contents

1. Basic Principles.....	3
1.1. Objectives.....	3
1.2. Scope and Validity.....	3
1.3. Supplier Responsibility.....	3
2. Information Interchange.....	4
2.1. Communication.....	4
2.2. Delivery Schedules.....	4
2.3. Data Exchange.....	4
3. Consignment.....	6
4. MOQ (Minimum Order Quantity), Delivery Frequency.....	6
5. Incoterms.....	7
6. Packaging.....	7
6.1. Packaging Requirements.....	7
6.2 Label Standard.....	8
6.3. Delivery Note, Shipping Documents.....	10
6.4. Customs documents.....	10
7. Delivery Complaints.....	10
8. Local additional requirements.....	12
Appendix: Packaging Data Sheet.....	12

1. Basic Principles

1.1. Objectives

This Supplier Logistics Manual is intended to enhance supply relationships between suppliers and Tristone Group and to minimize costs resulting from non-conformance. It is essential that the manual is taken into account during the development, design, and planning of logistics concepts.

This manual is in addition to the following terms and conditions of the Tristone group:

TFP M.1. Tristone Purchasing Terms and Conditions

TFP M.2. Supplier Quality Manual

All identities within the Tristone Group reserve the right to carry out Supply Chain Management audits regularly at the supplier's premises, in order to inspect and evaluate the logistics system, including all of the logistics requirements described in this manual.

The goal of this standard is to evaluate our continuous improvement of quality performance, delivery performance, flexibility, and cooperation with suppliers.

3

1.2. Scope and Validity

This supplier logistics manual is valid for all suppliers from the nominated start date until end of obligation.

Authorized changes can be made by Tristone Supply Chain Management team at the responsible Tristone plant. This authorization must be signed off by management in both Purchasing and Logistic Departments.

1.3. Supplier Responsibility

The supplier is responsible for compliance with the following logistics requirements. Deviations from these requirements that lead to additional outlay or cost in one of our plants will be charged to suppliers accordingly.

2. Information Interchange

2.1. Communication

Perfect communication is the key to mutual success! Therefore suppliers must designate a key contact personnel responsible for handling logistics support (name of contact, nominated deputy and superior, with e-mail address, phone and fax numbers). The contact is obliged to respond promptly to all questions, i.e. within 24 hours. For emergencies, the supplier must also provide an emergency contact number, which is constantly manned by qualified personnel within a timeframe for a first feedback within the next two hours.

2.2. Data Exchange

Depending on the technical requirements, the supplier will receive the delivery schedules via EDI/RDT (Electronic Data Interchange/Remote Data Transmission), e-mail or fax.

The aim should be the integration of our suppliers via EDI/RDT.

Tristone use the following standard automotive industry formats to transfer order data:

- VDA
- ODETTE

The supplier is responsible for the technical connection on their side.

It is planned, to implement WEB-EDI to eliminate the data exchange via e-mail or fax and to receive Advance Shipping Notice (ASN) for a greater communication.

2.3. Delivery Schedules

Delivery schedules from Tristone Group continuously inform the relevant supplier of the current demands based on cumulative quantities. These delivery schedules usually contain a fixed horizon of two weeks and an outlook of several months. The outlook period is not fixed and can have changes in date and quantities. For more information on this subject, please refer to the *TFP M.1. Tristone Purchasing Terms and Conditions*. The delivery dates quoted in the delivery schedules can be receipt- or pickup dates based on the incoterms by correspondent Tristone plant.

Our plants are working with limited buffer stocks. Every time a call-off is received, the supplier is obliged to carry out a plausibility check with regard to quantities, deadlines and master data.

If this check determines that a call-off order is not plausible, this must be discussed with the Tristone material planners immediately. **Otherwise, the call-off order will be considered as accepted after 2 days.**

Within the market, short-term quantity changes of +/- 15% based on average monthly requirements are common and considered by Tristone to be normal fluctuations in demand. If a purchasing contract provides for a higher range of fluctuation, the stipulations in the purchasing contract are binding.

Long-term quantity changes which would lead to supplier investment, must be indicated to the involved plants in Tristone Group immediately and discussed with the relevant purchaser in order to prevent any critical supplier situations at an early stage.

In the event of foreseeable supply bottlenecks/backlogs caused by the supplier and sub-suppliers, the supplier must inform the responsible Tristone material planner **immediately**. In this case, supplier must also be able to provide information on the following points:

1. Cause of the problem
2. Production output capabilities for the part(s) in backlog and production planning (number of shifts/hours per working day and working days per week)
3. Alternative production options investigated (production lines and/or production schedule; always according to quality requirements)
4. Availability of alternative parts (always according to quality requirements)
5. Check the possibility of partial delivery
6. Premium freight capabilities and timing
7. Escalation of the problem inside its company
8. Recovery plan with an outlook how the supplier plans to come out of the backlog situation

Should an emergency occur more than 3 times per year with a supplier, Tristone reserves the right to require the supplier to carry safety stock at the supplier's location. Furthermore, all costs, which arise due to an emergency, must be absorbed by the supplier.

3. Consignment Stock

The Tristone Group provides the possibility for consignment stock for their suppliers. The basic idea behind this is to give the supplier the freedom to make his own decision regarding the delivery date, frequency and quantity as long as supplier maintains the inventory level required by Tristone. The supplier will remain the owner of the materials until they are removed from the stockroom. The removed goods are sent to the supplier once a month and paid in accordance with the agreed terms of payment. The implementation of a consignment stock and any potential cost sharing must be dealt with on a case-by-case basis, both sides must agree and sign a special consignment contract. For further information, please don't hesitate to contact the local Purchase Manager.

Shipping documents and pallets must display the note "Consignment".

4. MOQ (Minimum Order Quantity), Delivery Frequency

Under and over deliveries are generally not permitted, except those that have been agreed in advance with the responsible Tristone plant material planner. Without prior agreement, the plants in the Tristone Group reserves the right not to accept delivery or to charge the supplier for additional costs and expenses actually incurred.

Therefore, the MOQs, rounding values and the delivery frequency have to be defined under economic standpoints during the quotation process. The MOQs and delivery frequency should respect all different stations of the product lifetime. That includes the time after SOP (Start of Production) and after EOP (End of Production)/ Aftersales.

The following formula applies as a general approach to define the MOQ:

$$\text{MOQ} = \frac{\text{Annual Volume}}{50 \text{ Weeks}}$$

The MOQ has to be permitted and signed by Purchasing. Without an officially signed agreement of all parties the MOQ and rounding value is not valid. In this case the order quantity from Tristone is valid.

5. Incoterms

Preferred Incoterms for Suppliers from the European Union (EU) are DAP and for outside of the EU is the preferred Incoterm DDP. Regarding consignment stock are the preferred Incoterms DAP/DDP. The Incoterms agreed in the Purchasing Contract are binding. If general changes to Incoterms will come into place, those will be implemented and agreed mutually in purchasing contracts.

6. Packaging

The following regulations are based on the requirements of the packaging and storage system at the various sites within Tristone in order to ensure the rational and problem-free flow of materials between suppliers and the plants in Tristone.

Packaging for each material number must be organized in conjunction with the plants in Tristone. The supplier compiles a packaging proposal that must be checked and approved by the relevant Tristone plant. For this reason, in addition to providing an initial sample, the supplier is also obliged to send a completed packaging data sheet to the relevant Tristone plant. The costs of disposable packaging are included in the price of the parts. Separate agreements regulate the cost distribution when reusable packaging is used.

7

6.1. Packaging Requirements

In general, packaging must be designed and produced in accordance with economical and ecological considerations and with the legal/import requirements of the country of the importing party.

Therefore, all packaging must ensure the following:

1. Optimal utilization of the containers taking into account the permitted total weight. Permitted total weight for boxes which has to be moved by hand must not exceed 15 kg.
2. Damage-free delivery of parts
3. Stacking capabilities
4. Identification via a label in accordance with VDA 4902 (German Association of the Automotive Industry) with a barcode (this also means no old labels should be left on the container)

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5. Seamless unloading of the transport vehicles using industrial trucks
 6. Recyclable packaging
 7. Protection from environmental influences in compliance with cleanliness requirements
 8. Pallets need to meet IPPC Standard, debarked wood, not outstanding packed and not higher than 100cm

To fulfill these requirements, every new material number needs to have an agreed packaging instruction. For this reason, in addition to providing an initial sample, the supplier is also obliged to send a completed packaging data sheet (Appendix.1) to the logistics departments of the relevant Tristone plants. Suppliers will receive approval for the packaging data sheets from the logistics departments of the plants in Tristone, in the form of a written confirmation. Deviations from these requirements must be agreed with the plants in Tristone.

If, despite several warnings, packaging for goods is non-compliant, the plants in Tristone reserve the right to charge the supplier a handling fee for handling and repacking costs. In justified cases (e.g. alternative packaging for series production, extraordinary leads), deviations must be agreed with the plants in Tristone at an early stage. A corresponding note ("alternative packaging") must be added to the delivery note.

8

6.2 Label Standard

All documents/labels must be created in accordance with the local VDA/DIN standard and be written in the local language of the destination or in English. The shipping units are to be identified by a master label and single box labels (Fig. 1) with the following required minimum data:

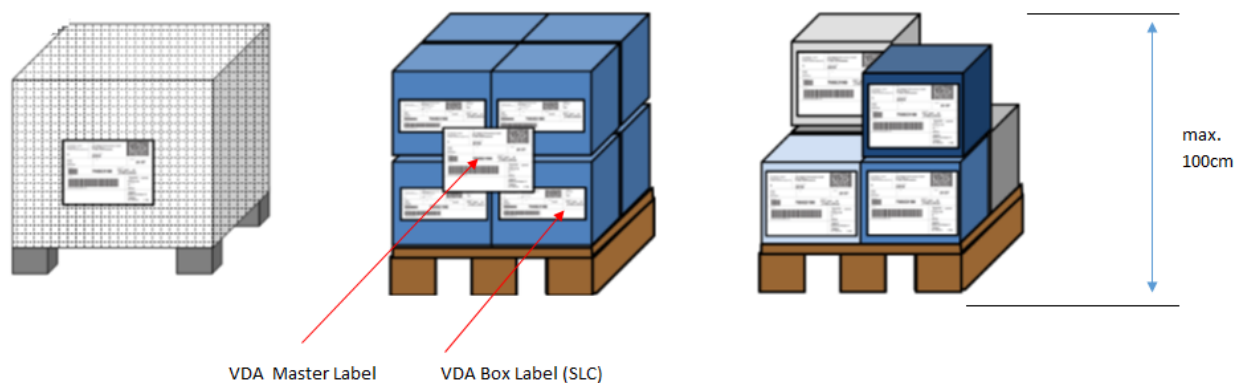
1. Tristone type/ Tristone part number
2. Total quantity (master label)
3. Quantity per packing unit (box label/ SLC)
3. Name of Supplier/ Supplier number
4. Country of Origin
5. Batch identification
6. Date

7. Delivery Note Number

In the case of heterogeneous shipping units (mixed containers) it must be ensured by Supplier that:

8. The transport packaging is identified as a "mixed shipment"

9. All Tristone p/n in the container are identified with their respective total quantities and different releases within the shipping unit are physically clearly separated from each other.

Figure 1. Shipping label location – example 1

9

The label should be of such a quality that it is readable visually and by machine at any time. All goods tags have a barcode. If incorrect goods tags are provided, the plants in Tristone reserve the right to charge the supplier for the additional costs incurred. This also applies for any additional costs incurred due to old goods tags that have not been removed, incorrect attachment of tags, or other irregularities

6.3. Delivery Note, Shipping Documents

The supplier is responsible for duly creating the shipping documents in accordance with DIN 4991 for delivery notes and VDA 4922 for shipping orders.

In general, the delivery note for the plants in Tristone must be issued in duplicate and handed over by the freight carrier before unloading to the incoming goods department. Delivery notes should never be located on the loading equipment or distributed across several loading devices. It is preferred to have one specific delivery note number for each article number. Each delivery note should reference the specific requested delivery date for the item as defined on the schedule agreement. This helps to ensure receipts are booked to correct lines on each agreement.

For the sake of completeness, the accompanying papers always include a freight order for the forwarder employed in accordance with VDA 4922.

6.4. Customs documents

The carrier must be provided with all documents and information relevant to customer regulations. This includes as preference papers and where required National Certificates of Origin.

10

7. Delivery Complaints

Additional expenses caused by non-compliance with the standards set out in this logistics manual may be charged to the supplier. Tristone Group reserves the right to charge the costs to available supplier accounts or to issue the supplier with a separate invoice.

The following is a general complaint catalog. Suppliers are expected to have procedures in place to prevent these situations.

No.	Error indication	Error description
1	Different part numbers in one package	2 or more part numbers are in one package but the package is labeled with only one part number
2	Part doesn't match package label marked	In the package there is a different part number than marked on the package label
3	Wrong package is used	Inner-/outer packages do not meet Tristone agreement
4	Wrong stacking	Tristone stacking requirements not met, e.g. unstable stacking

5	Damaged packaging	Packaging is damaged, cardboard box is torn, or returnable boxes have a crack or can't be reused.
6	Packing contaminated	Packaging is contaminated by foreign materials that cause quality concern and need quality department actions.
7	Missing parts in loading unit	The quantity in a loading unit is less than agreed / declared.
8	Too many parts in loading unit	Too many parts in a loading unit so that the package bulges.
9	Exceeding of weight limit small boxes (KLT)	Maximum allowable weight is 15 Kg per small box (SLC)
10	Missing Material Label	On the loading unit, there is no identification for what material is inside
11	Material label information incomplete/wrong	Fields on the material label are incorrect, incomplete or without bar code. Not filled appropriately to Tristone specification
12	Old material labels	Old material labels are still on the loading units that cause confusion with the new label.
13	Missing shipping documents	None or only partial shipping documents are delivered (e.g. missing delivery note, initial sample inspection report, material safety data sheet, etc.)
14	Shipping documents not matching the parts delivered	The shipping documents stated a different part number than the actual delivered parts (e.g. wrong material delivered)
15	Incorrect information on the shipping documents	On shipping documents, required information is missing or incorrect.
16	Wrong unloading point	The delivery is not or not fully determined for this Tristone unloading point. Further transportation occurs through Tristone at the expense of the supplier.
17	Deviations to delivery schedule	Deviations of delivery compared to delivery schedule concerning date and/or amount
18	Special expenditures	Additional expenditures by special actions, e.g. conversion costs

11

The amount of the costs breaks down as follows:

Description of issue	Amount	Currency
Issuing logistics complaint	150	€ per case
Tristone Flowtech direct labor costs	30	€ per hour
Tristone Flowtech indirect labor costs	50	€ per hour
Tristone Flowtech machine stop	300	€ per hour
Special Transport to Tristone Flowtech customer		According to invoice

TFP M.4:

Supplier Logistics Manual

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01.04.2021

8. Local additional requirements

12

Appendix 1: Packaging Data Sheet

PACKAGING DATA SHEET



template version: V01

Supplier Information	
Supplier name	
SAP code	
Company address	
Pick up location	
Place of manufacture	
Contact name	
E-mail address	
Phone / Fax	

Customer information	
Customer name & location(s)	
Contact name	
E-mail address	
Phone / Fax	
Buyer name	
E-mail address	
Phone / Fax	

Submission Date	(YYYY-MM-DD)	
Shipping Condition	Transportation mode (sea, air, overland)	Select Mode
Project name / DG-number		

Kind of Packaging Concept	Select Concept	Select Packaging
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Description		Data	
1. Part	1.1 Part name		
	1.2 Drawing no / Part number		
	1.3 Supplier part number		
	1.4 Weight / part		Select: Wt.Unit (pt. 1.4)
	1.5 Part dimensions (L x W x H)	x x	Select: DIM Unit (pt. 1.5)
	1.6 Part nature /composition / raw material		
2. Special Quality Requirements	2.1 Protective measures:		
	a Chemical protection	Select	Level:
	b Moisture sensitive	Select	
	c Shock sensitive	Select	
	d Corrosion protection	Select	
	e Hazardous goods	Select	If "yes", please attach authority certification!
	2.2 Special handling necessary?		
	2.2 Sensitive surface?		
	2.3 Part positioning at primary packaging (p-pack) (horizontal, vertical, diagonal)	Select: Special positioning	Further info:
	2.4 Automatic handling (picking & placing) according to IEC / DIN EN 60286	Select	Select: Responsibility Kind of:
3. Primary Packaging	3.1 Type of primary packaging (p-pack)		
	3.1 a Owner		
	3.2 Dimensions of p-pack (L x W x H)	x x	Select: DIM Unit (pt. 1.5)
	3.3 Parts per p-pack		parts / p-pack
	3.4 Gross weight per p-pack ¹		Select: Wt.Unit (pt. 1.4)
3.5 Quantity of "layers" (inside the p-pack)		"layers" / p-pack	
4. Loading Unit (LU)	4.1 Type of Loading Unit (LU)		
	4.1 a Owner		
	4.2 Dimensions of pallet (L x W x H)	x x	Select: DIM Unit (pt. 1.5)
	4.3 Outside dimensions per LU (L x W x H)	x x	Select: DIM Unit (pt. 1.5)
	4.4 Quantity of primary packaging per LU		p-pack / LU
	4.5 Parts per LU	0	parts / LU
	4.6 Gross weight per LU	0	Select: Wt.Unit (pt. 1.4)
	4.7 Smallest packaging unit (no MOQ-> see comment)		kind of packaging and quantity of parts
4.8 Stackability of LU (minimum 1+1)	1 +		
5. Identification	5.0 Type of label (e.g. PDF417, MAT-Label, VDA 4902, plant specific label, ...)		
	5.1 Smallest packaging unit for single label is:	Select: Kind of	
6. Others	6.0 Standard packaging used /considered	Select	Kind of:
	6.1 Weekly forecast (parts/week)		parts / week

Remarks	

Sketch / Photo of part		Bill of Material (Inner & outer packaging material)					
No.	Description (& part-no)	Kind of material	Dimension	Select: DIM Unit (pt. 1.5)	Tare weight / pcs. Select: Wt.Unit (pt. 1.4)	Comments to Cleanliness regulation ⁴ ?	Pcs./LU
1			x	x		Yes	
2			x	x		Select	
3			x	x		Select	
4			x	x		Select	
5			x	x		Select	
6			x	x		Select	
7			x	x		Select	
8			x	x		Select	
Tare weight of LU (all packaging materials - without parts)					0		
Sketch / Photo of Interior Packaging		No.	Parts per packaging unit	Description	Parts		
		1	Parts / loading unit		0		
		2	Parts / primary packaging		0		
		3					
		4					
		5					
Cleanliness regulations ⁴ (according to Bill of Material)				Area of Responsibility			
Description (& part-no)		Cleaning process & requirements		Select: Responsibility			
				Select: Responsibility			
				Select: Responsibility			
				Select: Responsibility			
				Select: Responsibility			
				Select: Responsibility			
				Select: Responsibility			
				Select: Responsibility			
Further measures concerning cleanliness				Select: Responsibility			
				Select: Responsibility			

- Notes:
1. Validate particular gross weight restrictions per location.
 2. Packaging must fulfill the requirements mentioned in the Tristone "Supplier Manual"
 3. The supplier must provide at his own expense expendable packaging components which are required for transport of the goods.
 4. Cleanliness: Measurement systems and analyze methods are described in ISO 16232, VDA19.
 - 4.1 The packaging materials that directly contact or surround the component/part have to conform to the cleanliness specification of the part mentioned in the drawing or specification of the part regarding maximum size of the particles.
 - 4.2 If technical cleanliness requirements arise from the part or manufacturing for the returnable packaging component, it will be cleaned every loop/circulation.

Release	Supplier	Tristone Plant Packaging Planer	Tristone Plant SCM
Signature			
Date			