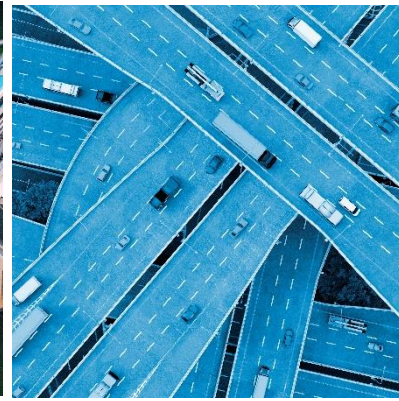




***Kiepe Electric
Logistic Manual
for Suppliers***



Release 2021



KIEPE ELECTRIC

FOREWORD

For over a century, Kiepe Electric has been supplying innovative electrical systems used on road and rail vehicles operating on (sub) urban public transportation services.

The basis for a successful and cooperative partnership between you as a supplier and Kiepe Electric GmbH (hereinafter referred to as KE) is a clear and binding communication and information.

This applies in particular where supply logistics are required by us to secure our production. In order to guarantee an efficient and problem-free manufacturing process, logistic systems must function within agreed rules.

To clarify our requirements for all parties involved and make them binding, we have summarized them in our present logistic manual. This manual forms a major component of our contractual relationship. We reserve the right to make changes to the content of the manual.

Processes are continually reassessed to help improve cooperation within the partnership. We guarantee continuous improvement with regular audits and process analyses at the supplier's facilities. KE reserves the right to call for changes to the processes.

This logistic manual relates to the ***Knorr-Bremse Packaging Manual for purchased parts.***

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TERMS OF DELIVERY

1 | TERMS OF DELIVERY / INCOTERMS®

The Incoterms® rules are the world's essential terms of trade for the sale of goods. Whether you are filing a purchase order, packaging and labelling a shipment for freight transport, or preparing a certificate of origin, the Incoterms® rules are there to guide you. The Incoterms® rules provide specific guidance to individuals participating in the import and export of global trade on a daily basis.

The Incoterms® clauses do not regulate, the terms of payment, the transfer of ownership of goods or the settlement of disputes.

The clauses are accepted and are agreed in 90 percent of all international sales contracts and accepted in over 120 countries.

1.1 STANDARD CONDITION - DAP

Generally all quotes and contracts by the supplier shall be drawn up or concluded in accordance with the delivery terms **DAP (Delivery at Place)** in accordance with Incoterms® 2020.

The supplier is responsible for the delivery to the unloading location named by KE. Transport of the goods to the respective location must be carried out in such a way that the goods arrive in a perfect state i.e. without damage to the goods or packing material. Damaged goods are returned at the supplier's cost. Follow-on costs proved to be caused by this damage shall be borne by the supplier

1.2 TERMS OF DELIVERY DAP - SELECTION OF AGENTS

The supplier is authorized to use their own forwarding agents/sub-contractors. Any staff used, including any subcontractors, are also obliged by the supplier to meet the requirements of this contract.

If a supplier commissions a forwarding agent, the work may only be given after a check on performance has been carried out. Suitable criteria (condition of the vehicle fleet, reliability, availability, credit-worthiness, flexibility, observance of environmental requirements etc.) must be checked regularly by the supplier. Respective agreements must be made with the forwarding agents so that un-hindered transport can be carried out. This particularly includes pick-up times, contacts, contingency plans, exemption certificates for driving bans (e.g. on Sundays and public holidays) and customs requirements.

1.3 TERMS OF DELIVERY FCA

In the case of “FCA” (Free Carrier) as the agreed term of delivery, the forwarding agent and transport concept are defined by KE.

The supplier bears the costs for the transport of the goods to the agreed transfer point. In general, the consignments of goods to be delivered must be reported to KE nominated freight forwarder on the day before loading, taking into account the delivery time. KE does not accept freight invoices from third-party carriers.

1.4 TRANSPORT CONCEPT KIEPE ELECTRIC GMBH

More information about the transport concept and the selection of logistics service will be provided by KE on request in the form of a routing order.

CUSTOMS PROCESSING / ORIGIN OF GOODS / EXPORT CONTROL

2 | CUSTOMS PROCESSING / ORIGIN OF GOODS / EXPORT CONTROL

The supplier is responsible for obtaining the export release.

All papers and documents required for international transport (in particular preference certificates) must be timely provided by the supplier at their costs.

We reserve the right to make recourse claims - in particular for claims for taxation and customs duties, including possible consequence from the tax and customs authorities – which accrue to us as a result of statements incorrectly and / or untimely completed by suppliers.

The supplier will guarantee the security of the supply chain as well as comply with the conditions and legal bases and, at KE's request, provide the necessary evidence in the form of certificates or reports.

The supplier is obliged to provide applicable export restrictions from the country of manufacturing and/or country of shipping to KE.

For this purpose, the supplier has to provide the valid export regulation codes (ECCN - export control code for US products, code of German export control list) as well as all applicable license exceptions for relating material to KE.

Materials originating in the USA, which are subject to any import or re-import licenses in the context of re-export control in accordance with US laws and US regulations, must be reported to the KE.

The supplier undertakes to specify the following export relevant data for each item on all delivery notes and invoices:

- Customs tariff number
- Country of origin under commercial law
- Value of goods
- Information on European/German export law
- Specification of the European/German export list number (AL) – if appropriate
- Specification for goods which are subject to US export law and the US Export Control Classification Number (ECCN)

LOAD SECURING / TRANSPORT DAMAGE

3 | LOAD SECURING / TRANSPORT DAMAGE

The goods must be packaged safe for transport and handed over to the freight company in good condition.

According to legal requirements, all involved parties (driver, loader, shipper, freight carrier) are - directly and indirectly – responsible for a proper load securing.

KE must be informed of specific loading and unloading conditions in good time. In the event of transport damage, the supplier and the carrier will be informed immediately in writing by KE. The damage is documented on the waybill.

GOODS RECEIVING

4 | GOODS RECEIVING

The goods have to be delivered to the location indicated on the order, taking into account of the opening times of KE.

Delivery outside of the opening times must be agreed by KE in advance.

It must be ensured that the trucks can be unloaded at KE or an unloading point specified by KE using standard industrial trucks.

Unloading from the side and rear unloading must always be ensured

CONTRACTUAL DEVIATIONS

5 | CONTRACTUAL DEVIATIONS

In principle, the specifications described in this logistics manual are mandatory. Deviations are subject to approval and must be coordinated with KE in advance.

KE reserves the right to claim the non-compliance to this guideline and ask the supplier for initiate corrective action.

In the event of major deviations, the acceptance of the goods can be refused. The supplier bears costs for additional expenses.