

Delivery regulations of Aerzener Maschinenfabrik GmbH

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1 Scope

These delivery regulations are an integral part of each inquiry, order and every frame work contract as well as corresponding amendments. These delivery regulations apply to all suppliers of Aerzener Maschinenfabrik GmbH and logistic partners.

The aim of the delivery specification is to ensure a smooth flow of materials and information between AERZEN and the suppliers so that the further process flow in the value-added chain is not disturbed. Furthermore, the delivery specification is intended to achieve continuous improvement in quality performance, delivery performance and cooperation with suppliers.

2 Responsibilities; Competence and Tasks

The AERZEN suppliers are responsible for compliance with these delivery instructions.

3 Introduction

3.1 General notes

The "General Delivery Regulations" must be observed and all affected areas as well as their suppliers and commissioned logistics partners must be informed of this specification.

With every new order the supplier ensures that he has the "General Delivery Regulations" (being indicated on the order or frame work contract form) on hand and that the included stipulations for the prevailing deliveries are adhered to. The current version can be downloaded under the following links:

<http://www.aerzen.com/de/unternehmen/einkauf/lieferanten-informationen.html>

<http://www.aerzen.com/company/purchasing/supplier-information.html>

In addition to these general regulations, the applicable national and international laws, standards and regulations that must be observed and complied with when delivering goods also apply.

3.2 Target

The delivery regulations serve the supplier as an overview of AERZEN's requirements with regard to the logistics performance of the supplier. These uniform delivery regulations are intended to optimise the flow of goods in the supply chain.

With the close cooperation between suppliers and AERZEN, the logistical aims such as security of supply, flexibility, stability and the continuous improvement of the processes as well as the overall economic optimum have top priority in the supply chain.

A smooth process of logistics is to be guaranteed throughout all phases of the supply chain.

The supplier is obliged to check and carry out every delivery to AERZEN according to the order information and for being up-to-date with regard to quality regulations and drawings.

If the supplier deviates from individual specifications of the order (modifies, supplements or drops them), he has to present any of these deviations in full in tabular form at the beginning of his order confirmation. If deviations are not shown as described above, the original order text is to be considered as contractually agreed.

3.3 Modifications and discrepancies

Modifications and deviations from these regulations must be made in coordination with the respective responsible strategic buyer of Aerzener Maschinenfabrik GmbH in a written special agreement.

3.4 Requirements on the supplier

AERZEN strives for a long-term partnership with its suppliers.
From our business partners we expect a maximum in regards to the

- quality of the delivery
- quantities and delivery reliability
- flexibility
- communication

- It is mandatory to inform AERZEN about any impact on the delivery process, such as transferring the supplier's production, modifications relating to the procurement situation of his sub-supplier etc.).
- Customer-friendly and efficient complaint management.
- Protection of the goods, packing and all delivery documents during transport and handling against mechanical and environmental influences as well as against loss of contents.
- Observance and implementation of product specific delivery instructions.

4 Delivery terms

4.1 General delivery terms

The terms of deliveries (INCOTERMS 2020) to AERZEN is DDP/DAP Aerzen. Exceptions and special agreements are only possible in justified cases and after written agreement with AERZEN.

4.2 Shipping instructions

4.2.1 The supplier ensures a maximum package workload:

1. No use of lattice boxes and disposable pallets
2. Exchangeable EURO pallets with loose frame (max. 1,000 kgs per pallet) must be used according to EPAL quality mark, manufactured according to UIC sheets 435-2 and 435-4. In case of gross violations (exceeding the weight, etc.) the pallet is repacked in Aerzen at the cost of the supplier. The costs to be charged are calculated on a time and material basis and include administration costs, personnel costs, forklift costs and pallet costs (see section 7.10).
Special packaging is required if the weight exceeds 1,000 kg per pallet or the Euro pallet dimensions are exceeded. On this special packaging, the gross weight is to be indicated clearly visible from the outside by means of a weatherproof label.

Specialities relating to raw materials

Deliveries of raw materials have supplementary regulations:

- Only plastic straps may be used to secure the raw material.
 - Secure the raw material at three points or more, so that the load cannot shift during transportation.
 - The raw material is to be provided with a weatherproof label at the front of the pallet with the AERZEN material number and the quantity of packages. The font size of the label must be 2 cm and must be secured four ways against loss.
3. The secondary packaging or the packing itself must not protrude beyond the exchangeable EURO pallet.
 4. A package may have a maximum weight of 15 kg if it is to be delivered by a parcel service provider.
 5. AERZEN reserves the right to stipulate packing instructions relating to certain material numbers.
 6. Chips as packaging filling are not permitted

- 4.2.2 The delivery must not be mixed, i.e. one material number per packing unit. If, for example, several different materials are delivered on a pallet with pallet frame, these materials can lie next to each other, but must be clearly separated from each other. The separation can be done with cardboard or wood. Delivery of different materials without identification is not permitted.
- 4.2.3 The covering box must be of one material and marked with the AERZEN material number. The materials to be delivered are to be marked individually with the corresponding material number, or on the outer packaging, or on the material itself (refer to item text of the order). The label must be designed in such a way that it cannot be lost when repacking or stock picking.
- 4.2.4 Deliveries from different suppliers may not be packed together when they are delivered by the forwarding agent. Pallets must be delivered separately for each supplier.
- 4.3 Marking of characteristic features:
If the packaged goods require a special type of handling (e.g. risk of breakage), the packaging must be marked according to the nature of the packaged goods in order to ensure the required handling.
- 4.3.1 The supplier must stipulate the sequence of delivery of the various AERZEN delivery points, e.g. Reherweg, Wiesenweg etc. to the freight forwarder.
- 4.3.2 If one material number applies to several packages, they are to be adequately marked. (e. g. per package with the material number or with "Part 1 of 2", "Part 2 of 2")
Terms like "carriage forward" or "cash on delivery" are not permitted!
- 4.3.3 Documentation requested separately in the AERZEN order (except logistics documents) must be sent exclusively in electronic form as a PDF document to the AERZEN e-mail address incoming-inspection@aerzen.com before delivery. The order number, order item, material number and, if known, the project number (**for example:** 4500123456_10_123456000_4001234) must be stated in the subject line.
The PDF document must be named as follows:
Order number and order position, material number, document description according to the requirement specification (**for example:** 4500123456_10_123456000_3.1 certificate)
If several documents are required for each order item, the required documentation must be summarised in one set. The complete document, provided with a cover sheet, contains all single documents including the language variants, TAG-no., AERZEN material number, -order number and -order position. Read-only files are not allowed. The fonts used must be embedded in the document. If scanned documents are used, they may be scanned with a maximum image resolution of 300 dpi.
- 4.3.4 Invoices must be sent as PDF document to AERZEN's e-mail address invoices@aerzen.com. Only one PDF document is permitted per e-mail
Each invoice shall state the country of origin and the goods number for each item delivered.
- 4.3.5 Responsibility and obligation to take back reusable/ returnable packing
The supplier is obliged to coordinate with AERZEN (Storage Logistics) the type of packing for returnable packing.
If the reusable / returnable packing is not collected, there will be a carriage forward shipment to the supplier.
- 4.3.6 Special requirement for wooden packing
Since goods packed in wood are often forwarded to other countries in their original packing, it is essential that wooden packing components comply with the requirements of the ISPM 15 (IPPC standard and be duly marked with the IPPC seal (the so-called 'wheat mark').

The ISPM 15 covers solid wood packing, in form of pallets, boxes, frames, drums, skids, barrels etc. with a wood thickness over 6 mm. Furthermore, ISPM 15 also covers so-called wooden dunnage. This often includes single planks, wooden wedges, beams etc. to support or wedge cargo in transport containers.

4.3.7 Insurance

Until the transfer of risk, the supplier may determine the transport company and the form of transport himself within the scope of the fulfilment of his contractual contents (e.g. transport safety, handling, adherence to delivery dates), insofar as these have or could have no negative effects for AERZEN. The supplier is free to insure deliveries for which he bears the transport risk at his own expense, i.e. any insurance amounts invoiced by the supplier will not be accepted by AERZEN.

4.4 Delivery and marking as initial sample

The initial sample test report belonging to the goods is to be sent as a PDF document to the e-mail address incoming-inspection@aerzen.com. The goods must be marked as initial samples clearly visible from the outside and weatherproof.

5 Compliance with national and international standards and regulations

5.1 Customs requirements

5.1.1 The supplier is liable for all disadvantages which AERZEN could have because of incorrect or missing documents. All documents required for the international traffic (e.g. certificate of origin, bill of lading (B/L), invoices, packing lists etc.) must be prepared by the supplier in due time and at his own cost. They must be made available to AERZEN prior to dispatch of the goods. Documents for international traffic (bill of lading, invoices and packing lists) must be sent to the central email address shipping@aerzen.com. AERZEN reserves the right to charge all damages to the supplier which arise because of documents prepared improperly, at a minimum of 120.00€ for each delivery.

5.2 Origin of goods from EU countries:

If the goods are produced in the European Union, the supplier is obliged to prepare a long-term suppliers' declaration under consideration of rules of origin governing preferential trade according to the current EU regulations and to make the document available to AERZEN via the internet portal "FORMAT/LEO" if requested by AERZEN by e-mail.

5.3 Long-term suppliers' declaration

5.3.1 The supplier is obliged to send a valid long-term suppliers' declaration if requested by AERZEN by e-mail via the internet portal "FORMAT/LEO" to AERZEN when new items are added.

5.3.2 The supplier commits himself to fill in annually at the beginning of the year the long-term suppliers' declaration for all AERZEN material numbers if requested by AERZEN by e-mail, to update by the 31.01. and to send them to AERZEN via the internet portal "FORMAT/LEO".

5.4 Origin of goods from non-EU countries:

The supplier must provide the following information for goods produced in a third country:

- country of origin
- customs tariff number
- net and gross weight per individual piece

5.5 Export control regulations of the EU:

The supplier is obliged to send any existing export licence requirements for his goods as well as any changes thereto to AERZEN immediately and without being asked to do so to the following address:

Aerzener Maschinenfabrik GmbH
Export- und Zollkontrolle – Abteilung OP
Reherweg 28
31855 Aerzen, Germany

5.6 Export, re-export USA:

The supplier ensures that he observed all relevant export regulations prior to supply and that neither embargo on exports nor export authorisations were disregarded. The supplier is obliged to send automatically all information which is mandatory to observe in terms of export and re-export directives, in particular, any list entries or other list numbers as well as their amendments without delay to the following AERZEN address:

Aerzener Maschinenfabrik GmbH
Export- und Zollkontrolle – Abteilung OP
Reherweg 28
31855 Aerzen, Germany

6 Dispatch documents

The supplier undertakes to include all necessary data in the shipping documents to be issued by him in accordance with the order and the regulation on packaging.

This includes:

- delivery note
- bill of lading
- packing list, (if necessary)
- all necessary country- and product-specific customs documents

6.1 Delivery note

A delivery note must be attached to each consignment of goods in a clearly visible place or handed over to the staff of the incoming goods department before the goods are unloaded. Every delivery note must refer to one order, i. e. if several AERZEN orders are supplied at the same time, a separate delivery note per AERZEN order number must be issued and packed separately.

Delivery notes shall be attached to the outside of the package in a weather proof envelope or delivered to the freight carrier together with the accompanying documents in case of supply via carrier.

6.1.1 Mandatory data of delivery note

The delivery note must include at least the following mandatory data:

1. Indication of the exact AERZEN delivery address - please take the accurate delivery address from the individual order!
2. AERZEN order number
3. The project number specified in the purchase order, if applicable
4. Name of the AERZEN purchaser and order date
5. AERZEN material number and material definition
6. Delivery quantity
7. Net and gross weight (single / total weight of shipping for intrastat declaration)
8. Number of packages and number of packages in the covering box
9. Name and short address of the freight carrier
10. Labelling of hazardous substances
11. Country of origin and customs tariff number
12. If necessary →reference to initial samples → see point 4.4

6.1.2 Page break of multipage delivery notes

The page break must be placed in such a way that only complete delivery note items are displayed on the delivery note for each page.

6.1.3 Best before date

Materials with a best before date must be shown on the delivery note and on each package/repacked package this date must be clearly visible.

7 Incoming goods department

7.1 Delivery address, goods receiving times and contact persons

Unless otherwise agreed in writing, the delivery address as indicated in the corresponding order is binding and must be observed. Please note that according to AERZEN's order there are several different delivery addresses. The goods must be made available on the AERZEN premises by the driver of the logistics service provider.

Address	Goods receiving times		Contact persons
Aerzener Maschinenfabrik GmbH Reherweg 28 31855 Aerzen, Germany Logistics centre Supply: access via Wiesenweg 1	Mo-Thu	07:00 – 12:00 h 12:30 – 15:00 h	Mr. Erdmann Phone +49 5154 81-7749 Fax +49 5154 81-7615 e-Mail: incoming-goods@aerzen.com Information desk: +49 5154 81-0
	Fri	07:00 – 12:00 h	
Aerzener Maschinenfabrik GmbH Reherweg 28 31855 Aerzen, Germany Hall 21 Supply: access via Wiesenweg 1	Mo-Thu	07:00 – 12:00 h 12:30 – 15:00 h	Mr. Obrzut Phone +49 5154 81-7078 Fax +49 5154 81-7615 e-Mail: incoming-goods@aerzen.com Information desk: +49 5154 81-0
	Fri	07:00 – 12:00 h	
Aerzener Maschinenfabrik GmbH Reherweg 28 31855 Aerzen, Germany SC-TS- Tool provision Supply: access via Wiesenweg 1	Mo-Thu	07:00 – 12:00 h 12:30 – 15:00 h	Mr. Erdmann Phone +49 5154 81-7749 Fax +49 5154 81-7615 e-Mail: incoming-goods@aerzen.com Information desk: +49 5154 81-0
	Fri	07:00 – 12:00 h	
Aerzener Maschinenfabrik GmbH Reherweg 28 31855 Aerzen, Germany Storage place for cast parts hall 4 Supply: access via Wiesenweg 1	Mo-Thu	07:00 – 12:00 h 12:30 – 15:00 h	Mr. Erdmann Phone +49 5154 81-7749 Fax +49 5154 81-7615 e-Mail: incoming-goods@aerzen.com Information desk: +49 5154 81-0
	Fri	07:00 – 12:00 h	
Aerzener Maschinenfabrik GmbH Reherweg 28 31855 Aerzen Logistikzentrum - Liftsysteme Supply: access via Wiesenweg 1	MO-Thu	07:00 – 12:00 h 12:30 – 15:00 h	Mr. Erdmann Tel.: +49 5154 / 81-7749 e-Mail: incoming-goods@aerzen.com Information desk: +49 5154 / 81-0
	Fri	07:00 – 12:00 h	

For deliveries outside the goods rec. times, please contact the respective central telephone number (see "Contact persons" column)

7.2 Condition as received / Acceptance of delivery

Delivery is accepted subject to proper delivery with regard to delivery date, external integrity, type and quantity.

If the deliveries do not comply with the quality-determining characteristics agreed in the purchase contract or if damage to the packaging and/or the material is discovered on delivery, acceptance will be refused and goods returned at the supplier's expense.

7.3 General delivery obligations

As soon as the supplier becomes aware of possible or already occurred deviations from the above instructions he is obliged to inform his AERZEN contact person about these deviations immediately.

7.4 Partial deliveries and excess deliveries

Partial deliveries (even from different factories) and excess deliveries are not admissible. If a partial delivery is indispensable it must be approved in writing by the corresponding AERZEN contact person.

Should additional volumes be supplied, the goods delivered in excess of the legally permissible excess tolerance will be returned to the supplier at the supplier's expense.

7.5 Responsibility for the consignment and supplier evaluation

The supplier is fully responsible for extent, content and quality of the goods supplied and of the services and thus for the incoming consignments and accompanying documents until the goods are handed over according to delivery instructions.

Within the scope of its supplier evaluation, AERZEN carries out an inspection for transport damage, adherence to delivery dates and quantities as well as compliance with the AERZEN delivery specifications. Its target is an increase of the process quality as well as an objective, overall evaluation of the purchasing decision.

The supplier is obliged to specify the exact delivery date in AERZEN in the order confirmation. Confirmation of calendar weeks, or similar, is not admissible.

In case of deviation from the supplier obligations as mentioned in these instructions possible damages or extra expenditure for AERZEN will be charged on to the supplier according to item 7.10.

7.6 Force Majeure

If the compliance of the delivery obligations is endangered by a case of "force majeure" (e.g. strike, natural disaster, fire etc.), the supplier must immediately inform his AERZEN contact person in operational purchasing (to be taken from the order form) about this in detail and, after consultation with AERZEN, initiate all possible measures to comply with his delivery obligations.

7.7 Extra tours - procedure, determination and charging-on

In order to secure the delivery date as agreed or to avoid disruptions in production or even standstill, AERZEN can request special actions (production and transport) from the supplier or arrange for these itself. Additional costs resulting from special actions are to be borne by the party being responsible for the delay in delivery.

7.8 Contact persons

In case of queries or need for coordination as far as the AERZEN delivery regulations are concerned, your AERZEN contact persons will be at your disposal.

7.9 Validity and coming into force of AERZEN delivery regulations

The current delivery regulations are valid for all AERZEN suppliers. All delivery regulations previously published hereby lose their validity.

7.10 Consequences of disregarding the AERZEN delivery regulations

In case of violations of the delivery regulations caused by the supplier AERZEN reserves the right to refuse acceptance of the consignment. It further reserves the right to charge on to the suppliers the extra expenditure incurred due to the failure (e.g. unplanned additional work to resolve the problem, additional transport expenditure etc.) and other consequential costs (e.g. extra costs for necessary alternative procurements), plus € 120.00 administration fee per delivery.

8 Annex

List of abbreviations

http	hypertext transfer protocol
AERZEN	Aerzener Maschinenfabrik GmbH
HGB	German Commercial Code
BGB	German Civil Code
e.g.	for example
DDP	Delivered Duty Paid
DAP	Delivered At Place
max.	maximum
kg	kilogramme
i.e.	that means
ISPM	International Standards for Phytosanitary Measures
IPPC	International Plant Protection Convention
etc.	et cetera
EU	European Union
GmbH	Company with limited liability
Tel.	Telephone
Fax	Telefax
incl.	including
dpi	dots per inch