



General Forwarding Instructions

For Deliveries To

ZF Friedrichshafen AG

And It's Subsidiaries

Version 06.08.2019



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Validity

The regulations below apply to deliveries for the ZF receiving plants and warehouses of the ZF Group and its subsidiaries listed in appendix 1 (from hereon referred to as ZF).

Part one applies to all deliveries. Part two applies to all deliveries when ZF is responsible for the freight costs

Deviations from these terms must be accepted in written form by ZF.

Additional expenses caused by non-compliance with the regulations will be charged to the suppliers in addition to a processing fee. The latter of which are listed in part three.

ZF reserves the right to change these forwarding instructions or to add supplement to them. The version valid at any given time is available for download on the ZF homepage.

The German text is certified. The English translation is for reference only.

Appendix Summary

- Appendix 1: Receiving plants and warehouses
- Appendix 2: Forwarding process for small shipments
- Appendix 3: Logistics service provider for the ZF Group
- Appendix 4: Location specific lead times
- Appendix 5: Location specific forwarding instructions

Change Log

01.06.2012: complete revision of version

Editor

ZF Friedrichshafen AG
Corporate Logistics (SCL)



Part 1: Universally Validity

The rules of the first part apply to all deliveries.

1. General

All international and national laws, provisions, regulations and guidelines in the field of transportation valid at the time of delivery and consequential responsibilities have to be considered and complied with by the supplier acting as dispatcher. This is particularly true with regard to the safe transport and delivery of hazardous goods.

Delivery has to be accomplished after the agreed and actual delivery conditions of ZF (Incoterms).

ZF Group standards and directives are applicable as well as any others which may be specific to certain business units, local requirements, or as are part of contractual agreements. Additionally the relevant local specific forwarding instructions have to be taken into account (see Appendix 5).

2. Date of delivery

Deliveries on schedule (in case of a delivery deadline in the ordering process) or provision of goods at the point of disposal (in case of a pick up deadline in the ordering process) is the responsibility of the suppliers. The specific lead time of the logistics service provider has to be taken into account.

Goods receipt is only acknowledged at the place of unloading which is specified by ZF in the ordering process. The shipments have to be ordered by goods receiving points. The agreed upon delivery time must be maintained.

The deliveries to ZF have to be arranged with regard to the delivery conditions valid at the time of delivery (Incoterms). These delivery terms must be cleared marked on all relevant shipping documents as part of the transportation process. In addition to the stated incoterm, the applicable "named place" must also be shown.

3. Packaging

The general ZF packaging regulations as well as additional ZF agreed packaging arrangements regarding disposable and re-usable packaging must be observed.

For all modes of transportation, there must be sufficient, adequate and secure packaging. This is particularly true for sea and airfreight shipments due to the higher level of stress put on the packaging. Other potential security criteria and country specific regulations regarding the import of packaging (e.g. International Plant Protection Convention, IPPC) must be also considered.



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The supplier ensures that the goods will be picked up or respectively delivered on fully functional loading equipment free from defects. In case of an insufficient shipment ZF reserves the right to reject the acceptance of the shipment or do not credit the loading equipment. Alternatively ZF accepts the shipment and charges the incurred costs to the supplier.

For Euro pallets and Euro lattice box pallets the regulations of the European Pallet Association (EPAL) are binding. The supplier has to keep an account about the Euro-Pool empties with the direct exchange partner i.e. the relevant logistics service provider. The accounts position should generally be balanced monthly.

4. Documents, Customs

The supplier acting as the dispatcher is responsible for the complete and proper preparation of all the necessary transport documents as per valid local industry standards. These are, for example delivery note DIN 4991/DIN 4994 and forwarding order/waybill to VDA 4922 or according to CMR.

The documents are to be prepared separately for each vendor and each point of entry of goods in two copies. The exact location for the place of unloading (factory, gate, hall, etc.) must be clearly marked on all documents at all times.

Apart from the general freight data, the number, type and exact name of the loading equipment have to be listed on the documents. Incorrect information can lead to errors in the credit process of the empties.

The information regarding Euro-Pool empties must be specified according to the common names on the waybill (e.g. the following abbreviations that are possible for Euro pallets and Euro box pallets, Eur (o) and Gib (o) or FP and GP).

The details of re-usable packaging (e.g. KLT, cover, etc.) have to be made stating the ZF material number/exact name on the delivery note.

The supplier must ensure consistency between the physical delivery including carrier / packaging and secure delivery of supply data and the documents.

All shipping documents (e.g. waybill, delivery note and applicable customs documents) must be complete and must be dispatched along with the goods. The safe keeping and the movement of the documents must be separate from the actual material.

When ZF is the freight payer, the ZF designated logistics service provider's name has to be marked on the delivery documents.

The supplier must provide all the necessary customs documents as required for import or export customs clearance. These documents



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include preferential origin documents and possibly national certificates of origin. Additionally country-specific documents and safety regulations have to be taken into account.

Documents	European Union	Non Europe incl. EFTA		
	Land	Land	Air	Sea
Delivery Note	X	X	X	X
Waybill (CMR)	X	X		
AWB (Air Way Bill)*			X	
B/L (Bill of Lading)*				X
Trade Invoice / Proforma Invoice)		X	X	X
EUR 1 / UZ Form A / Declaration of origin mentioned on invoice		X	X	X
Supplier Declaration/long term supplier declaration ¹	X			
Certificate of Origin	X	X	X	X
Packing list		X	X	X

Figure 1: Documents

5. Loading

All loading equipment has to be optimised for logistics efficiency when handling over to service provider. For example, the basic dimensions of the loading equipment are to be complied with and the handling units/pallets must be stackable.

6. Special Freight

If special freight is necessary, the supplier must have an agreement with ZF in regards to the organization, the selected transport mode and the logistics service provider with ZF. The resulting costs are paid for by the party that caused the need for special freights to occur. In the case that ZF has responsibility for the costs, written approval from ZF is required. A permanent tracking and accessibility of the means of transport must be ensured.

The freight documents for special freights have to be clearly marked with the note "special freight".

* prepared by the forwarder

¹ The document should be available for ZF. It's not necessary to add for all shipments.



7. Hazardous goods

All specific regulations for the transport of hazardous goods must be observed. Dangerous goods transport has to be agreed upon with the specific logistics service providers. The hazardous goods have to be handled according to all current legal regulations valid at the time of delivery.



Part 2: ZF as freight payer

These rules must be followed in addition, if ZF pays for the freights.

1. Transport planning

The supplier can only book the transportation with the ZF nominated logistics service provider for the specific lane. (The nominated forwarders are listed in Appendix 3.)

Invoices from non-designated logistics service providers will not be accepted and will be rejected by ZF and the incurred costs will need to be paid for by the supplier.

For selection of the transport mode and the logistics service provider, the predetermined selection process by ZF has to be complied with (see graph in Figure 2, Figure 3 in Annex).

With respect to transport mode, weight and volume of the shipments the following has to be considered:

Small shipments ≤ 30 kg

- Small package shipments (parcels) up to a weight of 30 kg for national and international delivery need to be handled by CEP services (courier, express and parcel services) (see Appendix 2).

Land freight:

- Shipments over 30 kg with an adequate lead time and not directed through an agreed upon route are processed through the relevant area carrier.
- The supply for a tour (e.g. milk run) has to follow individual contractual arrangements
- If the standard lead time is insufficient, a special freight arrangement may need to be approved in consultation with the appropriate contact person at ZF.
In case of non-approval, the delivery takes place through the standard transport mode.

Sea and air freight:

- The processing of the sea freight for Less Container Load (LCL) and Full Container Load (FCL) is calculated on an individual case basis by following an optimal cost and lead time variant. These individual cases have to be agreed with the appropriate ZF contact person.
- For time critical shipments the consultation with the relevant ZF contact person is necessary.
- After approval of an air cargo shipment weighting up to 2.5 tons, it can be dispatched to the appointed ZF Airfreight service provider. For shipments weighing over 2.5 tons, the specified transport mode has to be approved by the related ZF plant.
- Airfreight shipments are possible only if they are preapproved by ZF. Invoices for airfreight without prior approval will be rejected.

2. Lead times

The standard lead times can be found in Appendix 6. Deviations to the standard lead times can be found in the location-specific lead times (Appendix 4). The lead times for intercontinental shipments must be agreed upon between the receiving ZF plant and the responsible service provider.

3. Transport notification

Shipments have to be notified to the logistics service provider on time. If the delivery dates in the delivery schedule are defined as receipt dates at the customer, the relevant lead times have to be considered in the transport notification. Deviations of the following standards could lead to exceeded lead times and additional costs, which will be the responsibility of the supplier.

- Small shipments
 - For shipments with a less than 30 kg, the relevant CEP process service provider has to be used.
- Land freight
 - Shipments over 30 kg have to be notified to the relevant logistics service provider one day before the pick-up of the shipment. For shipping points:
 - In Germany until 16.00 h
 - Outside Germany until 12.00 h
- Sea freight:
 - LCL shipments have to be notified one day prior to pickup before 12.00 h. FCL shipments have to be notified in time under consideration of the pickup date and with enough notice to dispatch the container.
 - The notification has to be sent to the local service logistics provider location. The time to allocate a container depends on the local circumstances and has to be agreed upon with the relevant logistics service provider.
- Air freight
 - Shipments under 2,5 tons have to be notified before 12.00 h at the local location of the relevant logistics service provider.
 - Shipments over 2,5 tons need to be confirmed with the ZF receiving plant before planning the transport.

The supplier is responsible as well for maintaining the contact details of the relevant personnel of the logistics service providers (see Appendix 3).

The supplier is also responsible for the correct calculation of the net and gross packaged weight of the shipment. It is to be ensured that only the shipment capacity is notified, which is already prepared for pickup. Any weight discrepancies are not tolerated by ZF and any potential additional costs will be passed on to the supplier.



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Before the transport the supplier has to provide the relevant and complete shipment data to the logistics service provider in time. The notification templates are published on the internet and have to be used for all shipments with the logistics service providers of the ZF, if the supplier does not send the notification of the transport electronically.

In this case the templates have to be sent to the logistics service providers, preferably by email but alternatively by fax. The templates have been published on the website of ZF Friedrichshafen AG under

- Air Notification Template
- Land Notification Template
- Sea Notification Template

https://www.zf.com/site/supplierboard/en/shipping_requirements/shipping_requirements/forwarding_instructions.html

If the receiving ZF plant implemented Supply On TOMS (Transport Order Management System) for transport ordering, the system has to be used for transport orders as well as for transport updates. Training documents and contact persons:

https://www.zf.com/site/supplierboard/en/shipping_requirements/shipping_requirements/toms_infopage.html?disableALS=true

4. Provision

The shipments have to be prepared for pickup from Monday to Friday during the core hours of 08.00 h to 18.00 h. Other time slots, variations or special cases have to be discussed and agreed upon in written form with the logistics service provider. The relevant ZF receiving plant has to be informed about any changes. If the goods are not provided in time or the supplier has not complied with the core hours, exceeded lead times and additional costs could apply and will be passed on to the supplier.

In the time slot of the pickup it has to be possible to deliver empties.

5. Loading

The loading (together with administrative processing and possibly unloading of any empties) has to take place promptly at the agreed time and within a maximum of 1 hour. Delayed clearance and inadequate loading and waiting times can lead to higher costs and are passed on to the supplier.

At the request of the logistics service provider, the supplier is required to record the time at the beginning and end of the loading process either on the waybill or routing slips.



6. Miscellaneous

Any change to the delivery plant has to be reported to the relevant ZF customer plant.

The real delivery location has to be noted on every document. Neutral shipments are not accepted.

Cash on delivery (COD) shipments are not accepted.



Part 3: Non-compliance of the forwarding instructions

In case of non-compliance of the forwarding instructions the ZF Friedrichshafen AG will pass on the additional and process costs for every violation of the supplier against the agreed terms.

The parties are agreeing on an hourly rate of 75 Euro for process costs to create the charge. Examples for variations are:

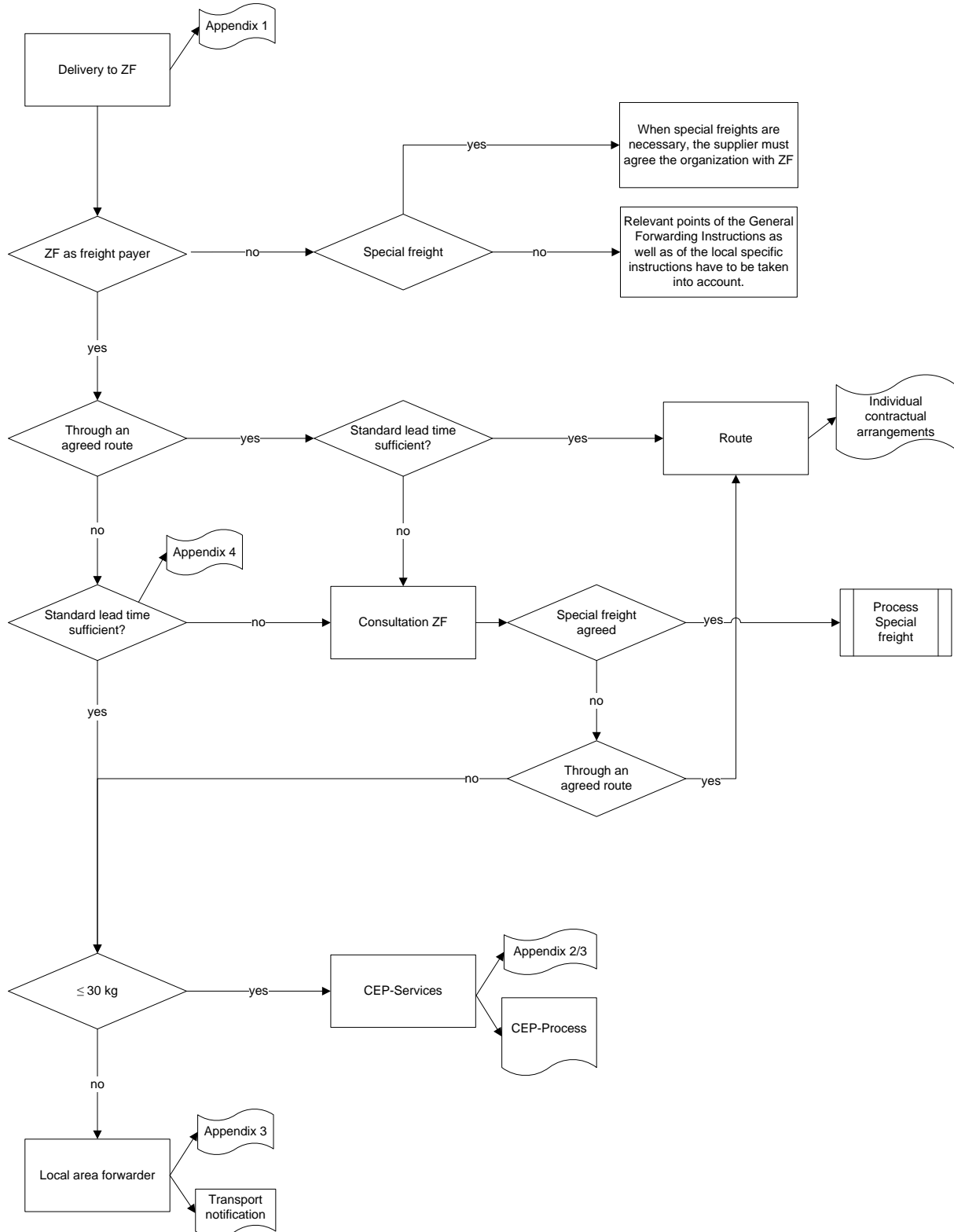
- Wrong transport planning (e. g. transport mode, wrong service provider, traffic carrier)
- Inaccurate transport notification (wrong time, weight, loading meter, volume)
- No provision of goods within the agreed time slot
- Missing or insufficient transport documentation (e. g. delivery note, forwarding order/waybill, customs documents)

ZF explicitly reserves the right to claim further compensation for damages.

ZF is authorized to offset the charges in the credit process.

Annex

Figure 2: Transport planning land freight



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Figure 3: Transport planning Sea and Air freight

