

## Introduction

As a harness manufacturer for the automotive industry, we are exposed to the constantly increasing demands of our customers regarding quality and flexibility. Therefore, KE Elektronik depends on quality conscious and reliable suppliers. Those suppliers support KE Elektronik to achieve a **zero-defect-strategy, 100% delivery reliability with maximum engagement and utmost flexibility**. So that we can fulfill or even exceed the high expectations of our customers even in the future.

Fairness, sustainability and long-term cooperation are very important values for KE Elektronik, which we also expect from our suppliers. Our suppliers are supposed to be committed to environmentally friendly and sustainable technologies towards our society and environment, besides the basic requirements like quality, reliability and the adherence of our requirements mentioned below. Furthermore, we set a high value on secure handling with data and information in accordance with the protection goals confidentiality, integrity and availability. Equally, we expect continuous improvement strategies from our suppliers to spot potential problems early and remove them.

## Scope Supplier Manual

This manual serves as a directive of the logistic cooperation between our supplier and KE Elektronik. The validity of this manual applies to all deliveries to all locations of KE Elektronik. Deviations of the directives in this manual are possible only in special cases and need to be approved by KE Elektronik in advance.

## 1. Feasibility / Capacity Check

By submitting an offer, the supplier confirms to have checked the capacity and the feasibility.

## 2. Order / Information Transfer

1. The goal is an integrated data system between KE and the supplier without manual interfaces (media discontinuities). Therefore, an information transfer via Electronic Data Interchange (abbr.: EDI) is required for a delivery relationship with KE. The supplier uses EDI to receive information from KE (VDA4905) or to send to KE (VDA4913). If the supplier does not have an existing EDI connection with KE, a schedule for the introduction of EDI is agreed to and implemented by the supplier.
2. Orders / delivery schedules, which are not issued by the purchasing department, require the written approval of the purchasing department of the purchaser in order to become valid.
3. Delivery schedules set by the purchaser are binding, if the supplier does not expressly contradict in writing within five (5) working days of reception. Incidentally, written confirmation is waived.
4. Within the scope of reasonableness, the purchaser may request changes of the supplied items in construction, execution, quantity and delivery date from the supplier. The effects of, in particular, the additional or reduced costs shall be settled reasonably between the parties by mutual consent.
5. The customer has the right to adjust dates and quantities at any time to meet his actual needs.
6. If a contracting party ceases payments or if insolvency proceedings are instituted against its assets or a court or out-of-court settlement procedure is initiated, the other contracting party is entitled to withdraw from the contract for the failure of performance by the other party.
7. The specified delivery dates are arrival dates at the purchaser.

## 3. Proof of Origin, Export Restriction

1. Upon request of the purchaser, the supplier is obligated to reveal the origin of the delivered goods, as well as the manufacturer or rather its own supplier at any time. Proofs of origin requested by the purchaser shall be provided by the supplier in full and signed immediately.
2. The supplier shall inform the customer unsolicited if his deliveries are wholly or partly subject to import or export restrictions.

## 4. Deliveries

1. The packaging must protect the parts against damage and soiling during transport and storage. It is important to pay attention to transportable packaging. Especially for overseas shipments, the products are to be protected accordingly.
2. The departments packaging and logistics shall be subject of regular internal audits (including GMMOG / LE).
3. All packaging must be clearly labeled according to VDA 4994 or Mat-Label 2.6. Both labels must be undetachable on the packaging and easy to read. By means of the label the traceability must be ensured.
4. Otherwise according to VDA-purchasing-conditions

## 5. Acceptance

1. The delivery schedules, scheduling agreements and orders that have been issued only bind the purchaser to the acceptance of a period of four (4) weeks of the scheduled amounts. Deviations are only binding for the purchaser after special written agreement.
2. Material dispositions that are carried out by the supplier for a period of eight (8) weeks in total are always his responsibility, unless otherwise agreed in writing.
3. The purchaser is entitled to refuse acceptance of goods delivered before the specified delivery date or to return the goods delivered early at the expense and risk of the supplier or to store them at a third party's on expense of the supplier. The same applies to excess deliveries.
4. Excess- or under deliveries (including partial quantities) are only allowed with the expressed permission of the customer.

## 6. Obligation of Examination and Notification of Defects

The purchaser is only obliged to inspect the goods to the extent of obvious defects, such as transport damages, quantity deviations, mismatch of order and accompanying documents. The customer shall notify the supplier of any defects as soon as they are ascertained according to the circumstances of a proper course of business. In this respect, the supplier waives the objection of the delayed notice of defects.

## 7. Delivery Dates, Deadlines, Delay in Delivery

1. Agreed dates and deadlines are binding.
2. Delivery delays shall be reported to the purchaser immediately as soon as they are noticed with justification and indication of the probable duration.

## **8. Payment**

1. Payment shall be made after receipt of the goods in accordance with the contract or after acceptance of the service after receipt of the proper and verifiable invoice. The decisive factor for payment and discount periods is the date of receipt of the delivery, otherwise the later date of receipt of delivery and invoice. For other services, the acceptance date applies.
2. If early deliveries are accepted, the due date shall be determined after the agreed delivery date.
3. In case of faulty delivery, the purchaser is entitled to retain the payment in proportion to the value until proper fulfillment.
4. The purchaser is entitled to set off his due counterclaims.
5. The supplier will not be entitled to use the right of retention for the delivery of goods or services, assert works and usage rights.
6. The right of compensation is only available to the supplier for undisputed or legally established claims.

## **9. Contact at KE**

The respective contact persons are named in inquiry and order.

In addition, the supplier shall designate a representative and supervisor by name, position, e-mail address, telephone and mobile telephone numbers as well as an emergency telephone number (the "emergency telephone").

## **10. Jurisdiction, Applicable Law**

1. Exclusive place of jurisdiction for all disputes arising from the contractual relationships is the place of business of the customer.
2. Unless otherwise agreed, the law of the Federal Republic of Germany applies.