DAIMLER

Mercedes-Benz Special Terms 2016

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Introduction

1. Definition

The Mercedes-Benz Special Terms, hereinafter referred to as “MBST”, are provisions regulating the flow of information and smooth operation of processes between Daimler AG, hereinafter referred to as “Daimler”, and its suppliers.

In addition to Daimler’s “Purchasing Conditions for Production Material and Spare Parts for Motor Vehicles”, the MBST form part of the contract and are mentioned separately in the purchasing contract along with other provisions.

2. Publication

The relevant most recent version of the MBSTs is published centrally on the Daimler Supplier Portal under http://Daimler.covisint.com prior to the start of contractual negotiations. In the event of significant legal or corporate changes/innovations, individual MBSTs may also be reissued during the year. The suppliers will be informed accordingly by Daimler.

Internal duplication is permitted and required for individual departments within the supplier companies.

3. Communication

Communication between Daimler and the supplier will take place in German or English unless otherwise agreed.

4. Validity of the German Version

The MBSTs are published in both German and English. In the event of discrepancies, only the German version is binding.

Daimler AG

Tools for Series Production Parts and Spare Parts Delivery

1. General

Tools under the terms of this MBST are original, forming and separating tools[1] in accordance with the definitions of DIN 8580/8582/8588. No other production equipment is to be regarded as tools.

All regulations of this MBST are applied accordingly to tools at the premises of sub-suppliers or other third parties. The supplier is obligated to ensure that its sub-suppliers or third parties, at whose premises the tools are located, behave in accordance with this MBST and grant Daimler the rights formulated in this MBST. This particularly applies to the identification of the tools as the property of Daimler. Regardless of ownership, the supplier must treat all tools and other production equipment with the degree of care necessary to ensure appropriate supply of Daimler.

In terms of tools, a distinction must be made between tools, which are or become the property of Daimler (Daimler-owned Tools) and tools, which are not or do not become the property of Daimler (Non-Daimler-owned Tools).

Daimler is entitled to check adherence to this MBST at the supplier's premises during its applicable hours of work and following prior coordination. The supplier will support Daimler accordingly and will, in particular, keep the documents pertaining to the tools ready for inspection.

2. Daimler – owned Tools

The following provisions regulate the rights and obligations of the supplier and Daimler regarding the supplier's use of tools, which are the property of Daimler.

2.1. Transfer of Tools

The supplier is authorized and obligated to use the tools within the scope of the supply contract concluded with Daimler concerning the part to be manufactured with the tools.

The supplier is prohibited from any deviating use of Daimler-owned Tools, particularly from production of parts for supply of third parties or the transfer of usage to third parties without Daimler's prior written consent.

[1] Forging tools are the exception.

2.2. Servicing and Tool Maintenance

The supplier is responsible for ensuring the defect-free functional capability of the tools during their use in the contractual undertaking to supply Daimler. The supplier must ensure constant, defect-free functional readiness of the tools for the purpose of defect-free delivery to Daimler through continuous maintenance and repairs at its own expense. The maintenance and repairs shall, in particular, encompass all expenditures required to preserve the operating condition and the alleviation of all defects and damage, as well as those arising from modifications and deterioration attributable to the use of the tools.[2] In return, Daimler makes the tools available to the supplier free of charge.

2.3. Tool Changes

In the event that modifications to the tools are required due to changes in Daimler's technical specifications, the supplier must first provide Daimler with a written offer for modification of the tools with the least possible expenditure.

Modifications to the tools may be carried out by the supplier only after Daimler has commissioned the supplier in writing. Any expenditure in excess of these specifications shall not be remunerated by Daimler.

2.4. Identification and Stock Taking

The supplier must clearly and permanently identify those tools which are the property of Daimler as Daimler property. During the year-end stock-take, the supplier shall transfer the necessary information on the tools in its possession to Daimler.

In the event that the property of Daimler is endangered by enforcement measures, in particular by attachment, seizure or insolvency proceedings, the supplier shall inform Daimler accordingly without undue delay. In any case, the enforcement agency shall be informed of Daimler's right of ownership without undue delay. At the same time, the supplier shall forward copies of the enforcement documents to Daimler. Daimler's prior approval is required for any change in the tool's usage site.

2.5. Liability

The supplier bears liability for all tool defects, damage, changes or deterioration[3] to or of the tool. The supplier is not held liable if these tool defects, damage, changes or deterioration are attributable to force majeure. The supplier must ensure that no personal injury or property damage is caused by the tools and shall indemnify Daimler from and against such damage claims.

2.6. Duty of Return

At the end of delivery, the supplier shall return the tools to Daimler in the condition existing after proper fulfillment of the supplier's duties arising from this MBST. All liens and rights of retention of the supplier in respect of the tools are excluded.

[2] If a yield volume has been agreed, this applies only to the agreed yield volume.
[3] Liability for deterioration of the tools only applies to the agreed yield volume, if such yield volume has been agreed.

3. Non-Daimler-owned Tools

Insofar as Daimler is not the owner of the tools, Daimler shall obtain ownership of the tools and subsequent tools by way of security in order to ensure delivery.

Daimler may demand the surrender of tools only in the event of a delivery interruption. In this case, Daimler is additionally entitled to reimburse the percentage of the tools' unamortized cost to the supplier. In this case, Daimler obtains unlimited ownership of the tools upon reimbursement of the costs.

The supplier is obligated to scrap tools which it uses or has used to manufacture parts for Daimler only following prior written approval by Daimler. If Daimler does not approve scrapping, mutual regulation of the costs must be agreed.

4. Handling of jigs, fixtures and gages

In terms of all jigs, fixtures and gages, Daimler shall obtain ownership of said jigs, fixtures and gages and all subsequent jigs, fixtures and gages by way of security in order to ensure delivery. Daimler may demand that jigs, fixtures and gages be surrendered in the event of an interruption in delivery only. In this case, Daimler is additionally entitled to reimburse the percentage of the jig, fixture and gage costs which has not yet been amortized to the supplier. Upon reimbursement of the costs, Daimler obtains ownership of the jigs, fixtures and gages.

Supply of Spare Parts for Daimler Products

1. General

The high performance level of spare parts supply is a significant purchasing factor for Daimler customers and as such a significant competitive feature of Daimler products. Consequently, with respect to pricing, quality and observance of delivery deadlines, spare parts supply has the same significance to Daimler as the supply of production.

2. Definition of Spare Parts

Spare parts are required to meet replacement needs arising from the exchange of parts of the vehicle. Spare parts also include parts delivered in a condition deviating from the series in respect to surface or packaging. Such deviations are specially noted.

For products/systems/assemblies, the particular spare parts are mutually specified by Daimler and the supplier.

3. Parallel Sales

If Daimler develops the product itself or Daimler has paid the supplier for development, or the product is manufactured on tools which are the property of Daimler, the supplier is obligated to supply spare parts only to Daimler. Daimler shall charge the supplier for damages amounting to 10% of the Daimler gross list price per part in each case of culpable violation. In the event of a violation of the obligation arising from sentence 1 of this section 3, the Supplier is additionally obligated to notify Daimler about the quantity of the parts delivered in parallel and the commercial customers. To check the quantity, a suitable measurement device shall be attached to the tool. Daimler is entitled to have the notification checked by a certified accountant appointed by Daimler at supplier's cost.

The same applies if the supplier delivers parts labeled with a Daimler brand or the Daimler part number to third parties. If the brand is used unlawfully and the supplier is at fault, an additional penalty of 5% of the Daimler gross list price shall be paid per part.

In order to avoid damaging the image of Daimler brands, the parallel sale of parts by supplier is not permitted where the Daimler brand has visibly been rubbed out, scratched off or otherwise removed by an external influence. Furthermore, the covering of Daimler brands or part numbers with stickers or paint is not permitted.

The above contractual obligations shall not affect possible other statutory rights and claims of Daimler. This shall apply in particular with regard to statutory claims based on the infringement of intellectual property rights.

4. Brands

The supplier is obligated to label the spare part in accordance with the labeling regulations. As a general rule, a Daimler trademark must be affixed to all parts. The parts must be labeled in accordance with MBN 10435[1]. This includes all visible labels (stamped, shaped, lasered, etc.) as well as all affixed adhesive labels. A manufacturer's trademark may be affixed if desired, whereby the manufacturer's trademark may not be larger than the Daimler trademark. Further other manufacturer‘s information, in particular the article number of the manufacturer, is not permitted. Questions must be clarified with the After-Sales Product Management of the respective division, any possible deviations of the labeling (e.g. for reason of technical necessities) require Daimler's prior written approval.

5. Supply period and Purchase Right

The supplier undertakes to supply Daimler with spare parts for the product **for a period of at least 15 years after the discontinuation of series production**. Delivery shall be made at the request of Daimler.

Parts-specific production equipment of the platform or part may only be scrapped after Daimler's written consent regardless of ownership status.

6. Pricing

For spare parts delivered during the series delivery period, the series price current during the series lifetime generally applies.

In the case of parts for systems/assemblies, the price of the spare part is determined by breakdown, deducting assembly cost from the price.

In the case of parts for systems/assemblies or spare component parts for series assemblies, the price of the spare part is determined by breakdown/cost orientation during the series lifetime. The price for series components determined thus is also the applicable spare part price. This price constitutes the maximum price for the spare component part, apart from any necessary packaging expenses or not-incurring assembly costs. The price of spare component parts is even then agreed on this basis if the component was not created as a separate part number before series start-up.

7. Documentation of Spare Parts

The cost of preparing spare-parts documentation (including single-part drawings) and maintenance of all modification statuses, forms part of the price of the overall delivery.

The scope of the documentation (NX 3D drawings or successor systems, parts lists etc.) and the deadline for its completion will be agreed between Daimler (Spare Parts) and the supplier.

[1] Or the norm applicable to labeling of parts with Daimler trademark designation and identification features, which is valid as of the sourcing date

Regulations on the Payment of Start-up Costs and Additional Material Costs by Daimler

This MBST applies only to deliveries for Mercedes-Benz Cars.

1. General Principles

Daimler distinguishes between plannable start-up costs (see 2) and non-plannable start-up costs (additional material costs, see 3).

At the request of the supplier, Daimler states the necessary project information on the project-specific start-up process (non-binding, estimated requirements from the point in time when parts are produced using series production tools up to the achievement of full capacity, etc.) already in the tender documents under commercial contents and deadlines to the supplier as the basis.

2. Plannable Start-up Costs

Between the point in time when parts are produced using series production tools and full capacity, higher costs may arise in the supplier's production process than after the achievement of full capacity. These costs can be calculated at an early stage and as part of the tender on the basis of the specified start-up unit numbers and deadlines (plannable start-up costs).

These plannable start-up costs may include:

- Production — set-up and idle capacity costs, assembly and testing expenses, rejects, supplements for smaller quantities, parts labeling – E-status and Q-status.
- Logistics — transportation, storage, container, handling and repackaging costs, special orders with a process deviating from that of the delivery call-up
- Samples — supplies for color meetings, design-stage workshops, process acceptance tests, initial sample inspection with sample inspection report/initial sample inspection report (SIR/ISIR).
  According to MDS, the components required for color meetings are to be supplied in every trim color. Detailed planning will be communicated by the Daimler specialist department to the suppliers approx. 12 weeks before the color meeting begins. The supplier must ensure on-time delivery of the components. The initial samples to be supplied by the supplier for the

production and process approval procedure (PPF) in accordance with MBST 13 form part of the plannable start-up costs and must therefore be supplied free of charge.[1] Sample parts to be supplied following a design change in accordance with MBST 13 must be taken into consideration in the change tender via eÄM.

As a rule, the plannable start-up costs listed above are covered by the series price.

If there are justifiable individual cases in which the plannable start-up costs are not covered by the series production price, the supplier shall specify any such additional costs in detail at the time it submits its tender. Start-up costs specified once the order has been placed cannot be considered.

Plannable start-up costs up to QG A/I are only paid to the supplier if this is approved by Daimler.

The supplier will ensure that, for deliveries as of Quality Gate D/IV, “blank” release design stage can be assigned by Daimler, deliveries as of the point in time when parts are produced using series production tools are manufactured with the series tool and sample inspection with the result part green/process yellow is completed up to 3 months before Quality Gate A/II (design stage in accordance with MDS).

3. Additional Material Costs (MMK)– Non-Plannable Start-Up Costs

If further changes arising from design changes or from significant changes to Daimler’s non-binding requirement estimates are necessary for deliveries as of the point in time when parts are produced using series production tools and if the supplier is not responsible for this, these start-up costs, which are not plannable when the tender is submitted, may be separately remunerated by Daimler within an appropriate framework.

To this end, the supplier names and justifies the non-plannable components within the framework of the MMK inquiry by the corresponding assembly plant in the web-based MMK database (currently for the Sindelfingen plant, Bremen plant and Rastatt) or conventional MMK processing via fax (other plants).

Additional material costs can, among other things, be caused by:

- Additional staff costs incurred by suppliers
- Reworking
- Special carriage costs
- Scrapping costs

MMKs are only paid to the supplier up to full capacity subject to approval by Daimler.

4. Series Production Price

The series price becomes valid for supplier‘s deliveries as of the point in time when parts are produced using series production tools. This applies regardless of the purpose and place of delivery. With the series prices (total prices) valid at this point in time, all costs (e.g. set-up,measurement,

[1] The defined number of initial samples in accordance with MBST13 or a special agreement with the buyer (e.g. in the case of larger tool nests) serves the supplier as the calculation basis..

packaging, shipping, handling) are covered up to and including delivery to the places of delivery defined by Daimler. Any incurring plannable start-up costs must be considered in the series price.

The corresponding deadlines can be found in the document „Excerpt from the Process Master Plan for Suppliers“.

5. Allocation of Flash and OTP Processors

5.1. as series solution: calculated into series production price

If, within the framework of target price definition and assignment, a flash/OTP solution is agreed as the series solution, the supplier must calculate it into the series price.

5.2. as an intermediate solution as of the point in time when parts are produced using series production tools up to and including PRO 2 or PT 2: specification as start-up costs

The MDS process states that the provision of electric and electronic components for PRO 3 or PT 3 from mask processors must be ensured by the supplier, i.e. the use of flash/OTP processors for part provisioning prior to PRO 3 or PT 3 must be specified as plannable start-up costs by the supplier.

5.3. as an intermediate solution as of PRO 3 or PT 3: remuneration as MMK

These must be treated like the aforementioned additional material costs requiring approval.

Production Process and Product Approval (PPA)

1. Introduction

The supplier shall carry out a PPA process for series production approval. Unless otherwise specified in the following, the requirements made on this process are based on the current issue of VDA Volume 2. In individual cases, a different process may be coordinated with the client Daimler plants.

2. Scope of Application

In addition to the scope specified in VDA Volume 2, the PPA process shall also be carried out for software and standard parts unless otherwise agreed. (The respective applicable version of VDA material specification 235-204 shall be taken into consideration for high strength fasteners for the automotive industry).

If delivery conditions are described through several item numbers, the corresponding processes and generated/amended product features of the delivery condition shall be described in sampling in addition to the component features.

Daimler can request a PPA report for the single components with Daimler item numbers within a delivery scope.

3. Basics of the PPA

3.1. Series Production Approvals of other Daimler Plants

If the supplier has already received a series production approval from a Daimler location and there is no trigger for a new PPA process (see Section 4), a new PPA process does not have to be performed before supplying other Daimler locations. The supplier shall submit the sampling subject to the planning to the new Daimler plant together with the existing series production approval to the new Daimler plant in order to receive series production approval for the specific plant.

3.2. Identification of Parts

Parts for which sampling has not yet been performed shall be identified with their development status according to the development part life record. Parts which are delivered for advanced tests (split sampling) and have not yet been produced completely under series conditions shall be submitted as “other samples” in consultation with Daimler. No series production approval shall be issued

for “other samples”. Unless otherwise agreed, a red sticker specifying Exx (xx is the sequential index) shall be used. Separate labeling of sample parts for sampling and parts for production tests can be demanded by the respective Daimler plants.

Deviating labeling can be agreed with the department responsible for sampling.

The following shall apply for passenger cars: Starting with the initial sampling of samples for the PPA, these shall be identified with a white sticker specifying the quality status in accordance with the quality part life record (Qxx) and stating the color status in accordance with the color part life record (Fxx) for parts with supplementary code 2 until the completion of the final Daimler production test/try out.

4. Triggers for the PPA Process

The sampling Daimler department employees responsible for series production approval shall be notified of all production process and product modifications. Unless otherwise agreed, the procedure is according to the following matrix.

Trigger	Execution of PPA, Information to sampling department	Information to Purchasing	Information to Logistics
New parts	✓		
Product modification (approved by Development)	✓		
Production relocation	✓	✓	✓
Production process modification	✓		
Test process modification	✓		
Long-term production stoppage, more than 12 months	✓		
Use of new, modified or replacement tools (not applicable to metal cuttingtools)	✓	✓	✓
Change in 2nd-tier suppliers (Daimler 2nd-tier). In the case of parts with special characteristics (DS, DZ), the above obligation exists up to the supplier responsible for the characteristic.	✓	✓	✓
Modifications in the supplier‘s purchased parts/primary material/ stock	✓		
No unconditional series production approval	✓		
Failed requalification	✓		

Within the scope of sampling of new and of modified parts supplier is obliged to set the material data sheets in IMDS. The ID-number for the IMDS data record has to be defined on the initial sample cover sheet and in the corresponding Annex “material data sheets/IMDS”. The regulations of MBST 36, especially with regard to “Confirmation of/Adherence to Substance Bans”, have to be observed by supplier. The following shall apply for Daimler Trucks and Buses: Provided that additional substances are added to the candidate list of the REACH Regulation, which are already included in deliveries to Daimler Trucks and Buses amounting to more than 0.1% of their weight, a subsequent sampling shall take place with a transfer of the ID-number for the IMDS data sheet and of the Annex 20 “material data sheets/IMDS”.

5. Execution of the PPA Process

If a PPA process trigger caused by the supplier arises, the supplier shall provide notification of this trigger at least six months prior to planned implementation. In justified, exceptional cases, deviating regulations will be agreed with the Daimler department responsible for series production approval. Relocation is not permitted in the start-up phase. Notification of relocation must be issued six months in advance and requires approval from Daimler.

Daimler shall specify a sampling date to the supplier. Even without a separate purchase order, the supplier shall deliver sample parts by the above mentioned date, unless Daimler expressly dispenses with delivery.

Prior to the PPA process the documents specific to the sampling scope, possible part bundles and the number of samples required, among other things, shall be specified as part of sampling planning, including the submission stage. In addition to technical sampling (Q status), variant sampling (F status) shall also take place for parts distinguished by supplementary code 2 (colors, languages, etc.).

The supplier shall coordinate the method and format of sampling document transfer with the relevant sampling Daimler department.

For parts into whose tools the surface structure is integrated in a separate production step, the PPA process shall be carried out on the basis of “other samples”. Approval for integrating the surface structure is issued by the department responsible for series production approval.

In the event of deviations, the supplier shall obtain written approval (deviation permit) in advance from the responsible Daimler development department and submit it for sampling. The corrected status must be presented within the scope of subsequent sampling prior to the expiry of the deviation permit.

The relevant product and process characteristics for which capability studies shall be carried out, shall be coordinated with Daimler. Until process capability has been verified, the characteristics shall be checked 100% by the supplier.

In deviation from VDA Volume 2, the following requirements apply to the DS/DZ characteristics specified in the specification documents (e.g. drawings, CAD data records):

- Short-term process capability $Cm_k \geq 2.00$
- Long-term process capability $Cp_k \geq 1.67$

The procedure for special processes shall be as described in MBST14.

“Supplier production tests/try outs” shall be performed by the supplier in the case of new launches and model updates, and the Daimler department responsible for series production approval shall be notified within good time so that participation by Daimler is possible.

Overall approval shall be issued if the product criteria as per Annex 2 are unconditionally OK and the process criteria at the relevant point in time are met in accordance with the following table.

Process criteria	Overall approval with condition	Overall approval without condition
Point of Time	"Supplier production test 1/ try out 1" if several are planned	Final "Supplier production test/ try out"
Machinery, tooling, equipment	OK	OK
Logistics chain	Conditionally OK	OK
Cycle time, unit nos	Conditionally OK	OK
Personnel	Conditionally OK	OK
Process capability	Conditionally OK	OK
Test equipment, test benches	Conditionally OK	OK
Manufacturing process, purchased parts	Conditionally OK	OK

For selected scopes, a number of parts which at least corresponds to the yield of one shift and at most the yield of 3 production days (Daimler full capacity production requirements) shall be produced in coordination with Daimler in the final "supplier production test/try out". These parts shall be produced under "Daimler full capacity production conditions".

For sub-supplier scopes, the supplier shall select a similar procedure, with involvement of Daimler if necessary.

6. Submission levels

Unless otherwise agreed between the department responsible for series production approval and the supplier, documents and samples corresponding to submission level 2 shall be made available to Daimler.

No.	Requirements (characteristics in accordance with specifications)	Submission level		
		1	2	3
1	PPA report cover sheet	✓	✓	✓
2	Test results (e.g. dimension[1], function, material (e.g. strength, physical properties), touch and feel, acoustics, odor, appearance[2], surface, corrosion test, reliability, process capability, weight, means of transport, EMC/ESD test)		✓	✓
3	Samples (number per nest), unless otherwise agreed [3]	5	5	5
4	Documents (e.g. customer drawings, CAD data, specifications, approved design modifications, simulations, etc.)		✓	✓
5	Supplier design and development approvals if responsible for development		✓	✓
6	System FMEA product			E
7	System FMEA process			E
8	Process flow chart (manufacturing and test steps)		✓	✓
9	Control plan		E	E
10	Inspection and test equipment list (product-specific)			✓
11	Inspection and test equipment capability study (result)		✓	✓
12	Confirmation of compliance with legal requirements, if agreed with Daimler (e.g. environmental, safety, recycling)	✓	✓	✓
13	The ID No. for the accepted IMDS material data sheet on the current design engineering status shall be specified on the cover sheet for the PPF report.	✓	✓	✓
14	Software test report (Annex 4)	✓	✓	✓
15	List of materials, with drawing if requested by Daimler (Annex 3)		✓	✓

[1] The following Daimler guidelines shall be applied (see Supplier Portal at http://Daimler.covisint.com):
- General specifications for body parts.
- Standard for describing measured results for purchased assembly parts and attaching body parts.

[2] As part of color sampling, the measurement reports for spectral measurement on the reference or basic sample and the initial sample must be enclosed.

[3] Passenger Cars: Generally 5 parts plus 2 samples in the case of color/variant sampling, 50 sample parts shall be required for all small parts (clamps, clips, screws, nuts, etc.)

16	List of work and test instructions with approval status		✓	✓
17	Tools list (with unit nos./number of nests and statement on tool quality)		✓	✓
18	Evidence that series production cycle time has been achieved		✓	✓
19	Overview of the supplier's purchased and in-house parts with part and process approval status		✓	✓
20	Written confirmation that criteria are met in accordance with series production maturity, part and process assessment matrix		✓	✓
21	Quality[4]/color part life record (Annex 1)	✓	✓	✓
22	Paint system approval from Daimler		✓	✓
23	Evidence to se cure traceability and data archiving of DS/DZ characteristics		✓	✓
✓	Submission to the Daimler department responsible for series production approval			
E	Documentation at the supplier, perusal, documents shall remain with the supplier			

The supplier shall document the procurement structure of its suppliers and provide the documentation to the client Daimler plant on request.

If responsibility for sampling and approval of parts purchased by the supplier (directed parts) lies with Daimler, the supplier shall list these separately with the following information (in point 19 of the submission level matrix):

- Part number
- Supplier with the Daimler supplier number
- ZGS
- Q/F status
- Approval Status
- Daimler plant and number of approval report

7. Storage Periods

The storage periods shall be based on VDA Volume 1. Following the discontinuation of series production, the PPA process documents shall be archived for 15 years by the supplier and submitted on request.

8. Approval Status

The supplier shall be informed of series production approval in the form of a test report.
The supplier receives the IMDS data sheet evaluation via IMDS.

9. Preparatory Activities

Prior to and/or parallel to the PPA process, activities such as design stage workshops or color in-camera meetings are carried out by Daimler together with the suppliers for selected parts scopes. The parts for the color in-camera meetings must be manufactured under full series production conditions. Insofar as parts with the specified surface structure are not already ordered for the first color in-camera meeting, these must be supplied with the specified surface structure by the following color in-camera meeting at the very latest.

[4] The „E/Q status" describes the precise Drawing and Geometry Status Number (ZGS) with design implementation notice (KEM), e.g. YAP and additionally all production technology statuses and modifications.

10. Non-Compliance

If the agreed sampling per part status does not lead to success, the supplier shall bear all additional costs incurred by Daimler which are directly related to the sampling process if the supplier is responsible for the negative result.

Annex:
(See Supplier Portal at http://Daimler.covisint.com)

Annex 1	Part Life Record
Annex 2	Assessment Matrix for Approval Status
Annex 3	Material BOM
Annex 4	Software Test Report

Quality Assurance. Implementation of a Quality Management System

1. Selection and Application of the QM System

To ensure flawless and constant product quality, the supplier shall establish a quality management system, hereinafter referred to as “QM”. The QM system must be set up in line with the currently applicable version of ISO/TS 16949. Evidence must be provided through certification by a certification society recognized by the IATF (International Automotive Task Force). Any deviation from this procedure requires specific approval by Daimler.

The supplier will set up its QM system and its sub-suppliers are also required to comply with the requirements of this MBST.

2. Legal and Regulatory Requirements for Certifications

The supplier is obliged to meet all legal or regulatory requirements and to take the necessary measures for acquiring and maintaining the necessary product-related and/or location-related certification activities in good time (e.g. application of auditing of production sites/technical tests of parts). The aforementioned requirements are dependent on the market or the markets, for which the deliveries are destined for.

The supplier shall ensure independently and on his own responsibility, that the related documents are up to date and valid. The supplier shall transfer those documents to Daimler on time, without the need of a request by Daimler.

The supplier must ensure delivery of parts, which meet all legal or regulatory requirements, over the whole life cycle, i.e. even after the end-of-production (EOP) of the vehicle during the period of spare parts supply – until revoked (incl. recertification).

Upon becoming aware of any change of the production process and/or of the company name and/or of the address of a production site, also with regard to sub-suppliers, that may have any effect on the validity of the certifications (e.g. relocating production facilities, tools or entire production sites, a change of address, decommissioning of production sites, end-of-life inventories at suppliers or name changes), the supplier shall immediately notify Daimler of said change.

3. Auditing

Daimler is entitled to audit and evaluate the supplier's QM system and quality assurance measures or to have these audited and evaluated by a third party commissioned by Daimler. This can be done as part of an audit (e.g. technical audit of supplier) following prior announcement. As part of its deliveries, the supplier must also enable its sub-suppliers to be audited by Daimler or a third party commissioned by Daimler. The supplier consents to assist Daimler in identifying weaknesses in the sub-supplier structure. Optimization of the weaknesses which are ascertained is the responsibility of the supplier. Daimler can stipulate quality assurance measures.

Suppliers that develop and supply software, also in combination with hardware, must observe the relevant valid version of the ISO/IEC 15504 or Automotive SPICE™ standards.

On request, Daimler must be informed of measuring variables in the software development process (e.g. number of errors per lines of code, error distribution over development phases, efficiency measurement in various phases of software development, test coverage such as C1 or equivalent measuring variables).

The maturity of the software development process must be verified through an assessment in accordance with ISO/IEC 15504 or Automotive SPICE™. The supplier must provide a results protocol according to SPICE or Automotive SPICE™ on request.

Without being requested, the supplier must submit at least a Level 2 along with a results protocol according to Automotive SPICE™ during the tendering procedure. The underlying assessment must not be older than 12 months. After awarding, the supplier must verify Automotive SPICE™ assessment level 3 according to ISO/IEC 15504-1. This level should be either available at the start of the project or should be verified at the early stages of the project (maximum one year after awarding).

The execution and scope of the assessment and qualification of the assessors must meet the requirements of the standardization activities of the software manufacturer initiative (HIS) and Automotive SPICE™. In the event of significant deviations from these requirements, the assessment is invalid. In this case, reassessment must be carried out by an independent third party who did not take part in the invalid assessment. The costs of this reassessment are borne by the supplier. Daimler has the right to carry out an assessment itself according to ISO/IEC 15504 or Automotive SPICE™.

4. Scientific and Technical State-of-the-Art

According to the requirements of the Product Liability Act, the supplier shall ensure that its deliveries and services correspond to the scientific and technical state-of-the-art.

5. Quality Planning and Assurance

The supplier proves the faultless product realization. The supplier documents its quality assurance measures with proof of quality assurance.

The supplier shall inform Daimler immediately as soon as violations of the zero-defect obligation are foreseeable.

The supplier is responsible for determining and properly defining the special characteristics (e.g. safety-, certification-, functionally- and process-relevant) in accordance with the specifications,

requirement specifications or other Daimler data, as well as for the suitable optimization of production systems, processes and test methods. If, in the case of a product defect, it is not possible to exclude risk to life or health during use of the product, the supplier shall do everything within its power to exclude the possibility of defective deliveries.

Machine and process capability is examined and evaluated on the basis of VDA Volume 4, Ensuring quality in the process landscape. The supplier must ensure and document production process stability over the entire production period by means of suitable process regulation. A 100% audit of product and process features must be performed if capabilities are not met.

If a product feature cannot be demonstrated with process capability figures, e.g. for specific processes (e.g. welding, heat treatment, casting), proof must be provided by way of secondary features and/or a 100% test must be employed.

In such cases Daimler can demand that suppliers apply different suitable methods of providing evidence for process security specific to components in series production.

Suppliers of electrical and electronic components shall implement suitable indicators to detect conspicuous trends and anomalies (e.g. anomaly tests such as Parts Average Analysis). No parts subject to anomalies shall be supplied to Daimler.

If the supplier is (jointly) responsible for the development of the supplied products and/or services supplied, the supplier must assess the relevance of the said products and/or services supplied in terms of safety or certification, and note the results of such assessments on all technical documentation, drawings and other documentary material. The supplier is additionally obligated to use Daimler designations in its technical documents, drawings and other documentation, which are made available to Daimler. This identification must be continued in an adequate manner in all further documentation. The supplier is obliged to implement the measures to be derived from the identification in current production and to store the related verification.

Daimler identification requirements:

DS: Documentation of relevance to safety	Components or systems whose malfunction or failure may place the life and limb of other road traffic users in direct risk are safety-relevant..
DZ: Documentation of certification relevance (incl. emission relevance)	Components or systems whose data, verifications, construction permits etc. are used in certificates or country-specific registration documents or which are checked on type approval are certification-relevant..

For the purpose of traceability, the supplier, at the request of Daimler, shall identify the components with a unique serial number, the structure of which will be defined by Daimler.

The supplier is obliged to check annually whether its deliveries meet Daimler‘s specifications (including dimensions, material, reliability, legal specifications, environmental and production control plan) (requalification). The supplier evaluates documents and archives the results. These must be made available to Daimler on request. Any deviation from this paragraph must be agreed in writing between the supplier and Daimler.

Cooperation/escalation model

The model is used when suppliers experience serious, repeated or long-standing quality and logistics problems.

The supplier's performance is continuously measured by means of KPIs and the findings are made available. If KPIs are exceeded, the model of the respective division takes effect, e.g. Q-H:ELP "Quality CHallenges: REcognition, SoLution and Prevention".

Depending on the respective classification, additional measures are stipulated together with the supplier. If Daimler supports the supplier by means of the above measures, the supplier reimburses Daimler for the costs that accrue and that are generated by said support

6. Inspections by Daimler

Under consideration of the inspections carried out at the supplier‘s premises in accordance with this MBST, the inspection carried out at Daimler is restricted to the comparison of delivery note data with the goods labels, checking the number of load units and inspecting external transportation damage which is clearly visible on the packaging.

There are no more far-reaching examination obligations for Daimler

Daimler is entitled to participate in inspections, appraisals, reviews or tests carried out by the supplier and its sub-suppliers, to have these observed by third parties authorized by Daimler or, following prior coordination, to conduct such inspections itself on the premises of the supplier and its sub-suppliers or to have these carried out by authorized third parties.

Daimler has the right to inspect all development documents (software incl. source code for the purpose of analysis, e.g. ascertainment of metrics) and documentation which accompanies production relating to Daimler.

Handling of Defective Deliveries Following Dispatch from the Production Plant

1. Subject Matter of the Agreement

1.1. Scope

These regulations apply to the handling of claims by Daimler vis-à-vis suppliers owing to delivery of defective production material or defective spare parts to the extent that these defects have been identified after the vehicles leave the respective production plant or the spare parts have been fitted or sold to customers.

1.2. Purchasing Terms

The purchasing terms agreed between Daimler and the supplier shall in principle remain unaffected.

2. Ascertaining Defects

Defects are ascertained by the Daimler sales organization and then fed into the Daimler systems for processing of quality defects. The damaged parts are provisionally identified as defective by Daimler.

3. Handling of Procedures for Standard Recourse

The settlement regulations for standard recourse apply to defective deliveries if these have not led to a recall, series damage, or damage to other components.

3.1. Definition of a Parts Family

The “parts family” tool is used to determine the acceptance rate. A parts family consists of parts with the same function and properties.

3.2. Forming a Parts Family

Parts families are formed specific to divisions by arrangement between Daimler and the supplier. If damaged parts with new item numbers are presented during the year or new spare parts numbers arise within the warranty system, new families are agreed during the year by arrangement between Daimler and the supplier or existing parts families are augmented.
In particular, the following parts are pooled in a parts family:

- Parts that can be substituted interchangeably in a workshop repair
- Series production part and spare part (e.g. new, improved successor parts that replace an older version)
- Different country variants if there are no serious technical deviations
- Across model series for similar and technically comparable components.

3.3. Return of Parts

3.3.1. Random Sample for the Analysis of Damaged Parts

To reduce the cost of returning and analyzing parts, the inspection to determine defects and the associated cost allocation to suppliers are performed using a random sample of removed damaged parts for which defects have arisen within the applicable period of limitation for warranty claims (referred to hereinbelow as a "Warranty Random Sample"). These damaged parts are made available to the supplier by the Daimler inspection stations for purposes of analysis; they are recognizable to suppliers in the IT inspection systems (e.g. QEC-Tool/eSEP++) as "warranty goods" and serve as the basis for establishing the acceptance rate.

Unless otherwise agreed upon, the Warranty Random Sample as a rule comprises 10% to 30% of the damaged parts within a parts family from Germany (referred to hereinbelow as the "Reference Market") within a settlement period. Random parts from defined European operations are submitted for Evobus.

The supplier is to notify Daimler in advance of any modifications of the scope of the random samples and the markets from which such samples are selected, provided such modifications are feasible and economically viable, for specific parts families, provided that the modifications can be expected to deliver further insights and to improve the quality work in each individual case. Daimler will review the notification made by the supplier and may adjust the mechanism for selecting parts in the sample if required.

Should the scope of the random sample performed as part of the Warranty Random Sample be lower than 10% of the damaged parts in the Reference Market, then the parties may agree by mutual consent to adjust the acceptance rate determined in this way, unless this shortfall had been coordinated with the supplier.

At the instruction of Daimler or on request by the supplier, specifically targeted damaged parts that do not form part of the Warranty Random Sample – e.g. from certain countries, produced in specific periods of time, or subject to certain fault symptoms – can be returned and forwarded to the supplier for analysis. These damaged parts are identified for the supplier in the IT inspection systems (e.g. QEC tool / eSEP++) as "goods subject to inspection"/"Prüfware" and will not influence the acceptance rate.

3.3.2. Procedure in the Event the Number of Damaged Parts is Not Representative

Should there be indications that the damaged parts from Germany do not reflect the global failures in a representative way, or that no damaged parts originate in Germany, Daimler may also include damaged parts from other countries in the Warranty Random Sample. Such an expansion of the Reference Market will follow the following sequence in principle:

- For the passenger vehicle and Van divisions, parts will be returned in the following sequence: Germany, Europe (Belgium, Denmark, Great Britain, France, Greece, Italy, Luxemburg, The Netherlands, Austria, Poland, Portugal, Sweden, Switzerland, Spain, Czech Republic), United States (USA), People's Republic of China (China).
- For the Truck division, the sequence will follow the turnover figures in descending order of the Daimler vehicles that are equipped with parts from the affected parts family.

Daimler shall notify the supplier in advance of the intended expansion of the Reference Market in each specific case. The supplier may object to such expansion of the Reference Market, observing a period of fourteen (14) days following the notice, doing so in writing and providing objective grounds for its objection. Should the supplier not object to the expansion of the Reference Market, or should the supplier fail to provide objective grounds for such objection within fourteen (14) days, the expansion of the Reference Market will be deemed as having been confirmed by the supplier; Daimler is to indicate this consequence to the supplier in its notice. Should the supplier object to the expansion of the Reference Market within this period, Daimler and the supplier shall agree on a provision governing the Reference Market.

3.3.3. Compilation of a Random Sample of Fifty (50) Parts in One Settlement Period

Once fifty (50) damaged parts of a parts family originating from the Reference Market within one settlement period have been submitted for inspection, it is to be assumed that this random sample is representative. Daimler may filter out the warranty parts for the corresponding settlement period. Daimler shall notify the supplier of this fact and no further parts from this parts family from the settlement period affected will be sent to the supplier, while the corresponding parts will be filtered out from their parts family and the acceptance rate will be agreed on that basis. Should the supplier not object to this procedure, or should the supplier fail to provide objective grounds for such objection within fourteen (14) days, the procedure shall be deemed as having been confirmed by the supplier. Daimler is to indicate this consequence to the supplier in its notice. Should the supplier object to the procedure in writing within fourteen (14) days of the written notice, citing objective grounds for such objection, shipping shall recommence.

In order to identify new damage patterns or potential long-term defects, the supplier shall continue to be under obligation, also in the event the shipping of parts is discontinued, to analyze individual parts that Daimler has made available to it as goods subject to inspection.

3.3.4. Early Compilation of a Representative Sample from Specific Production Periods

If, in an individual case, it is not to be expected that continuing the analysis of damaged parts will deliver further insights, it is possible to agree an early acceptance rate with the supplier for certain parts from a parts family originating in specific production periods (e.g. by a "Gala"-Agreement). From the time of the written notification by Daimler that Daimler intends to coordinate an acceptance rate, no further parts from this parts family from the production period concerned will be shipped. If the supplier objects in writing and provides objective grounds for determining an acceptance rate, the shipping of parts will be resumed. Any parts for which an acceptance rate was agreed early shall be filtered out from their parts family.

For example, in order to be able to identify new damage patterns or potential long-term defects, the supplier shall continue to be under obligation, also in the event an acceptance rate has been agreed early, to analyze individual parts that Daimler has made available to it as goods subject to inspection.

3.4. Performance of Damage Analysis and Determination of Acceptance Rate (AQ)

The VDA guideline applies for damaged part analysis, “Shared quality management in the delivery chain – Marketing and customer care – Damaged part analysis field” and the respective “MB Standard 10 448 Damaged part analysis field;” the latter can be accessed via the Daimler Supplier Portal.

3.4.1. Deadlines in Damaged Part Analysis

In the analysis of damaged parts by suppliers, the supplier shall confirm receipt of parts using the IT systems provided by Daimler for test report processing (e.g. QEC-Tool / eSEP++) within five (5) calendar days of receipt and shall send Daimler a status response with its initial test findings and measures that can be implemented immediately, and shall do so within fourteen (14) calendar days of receiving the parts.

The supplier shall notify Daimler of its conclusive findings (see VDA Band „Schadteilanalyse Feld“ Section 2.2 “Prüfstatus und Prüfstrategie in der Schadteilanalyse”) no later than twenty-eight (28) calendar days after it has received the parts. The result of the inspection must include statements on the causes of the failure and implementable measures serving the final and conclusive remedy of the defect, in the form of an 8D Report compliant with the VDA guideline.

In the case of “priority parts”/”Prioritäts-Teile”, the supplier is to provide feedback to Daimler within seven (7) calendar days of receiving the parts, with its initial test findings and measures that can be implemented immediately. Furthermore, a reduced period of fourteen (14) calendar days shall apply for the notice regarding the conclusive inspection result. Priority parts must be identified accordingly in the test report; they are e.g., start-up parts (vehicle, component, system), parts from immobility cases, or safety-relevant parts.

If the supplier does not meet the deadlines for its conclusive findings, the parts affecting this test report will be considered accepted; Daimler shall notify the supplier of this consequence in the respective test report.

Parts rejected by the supplier shall remain the property of Daimler. Should these parts have been marked in the IT inspection system (e.g. QEC Tool / eSEP++) as “relevant for returns”/ ”rücklieferrelevant”, the supplier must return them to Daimler within fourteen (14) calendar days (with the date of receipt by Daimler governing the timeliness of the return) after conclusive findings have been notified in delivery condition (in appropriate condition if subjected to destructive testing agreed with Daimler) Where rejected parts are not marked as “relevant for returns”, the parts are to be held by the supplier in a quarantine store for ten (10) weeks after conclusive findings have been notified and are to be made available to Daimler at the latter’s request. Following expiry of this period, the supplier is to scrap the parts. Should the supplier fail to comply with these obligations to

return and store the parts, the corresponding parts shall be deemed accepted; Daimler shall notify the supplier of this consequence in the respective test report.

Parts accepted by the supplier are exempt from any duty to return or store them.

The deadlines set out in the present Clause 3.4.1 may be modified by the parties' mutual consent if such modification is justified.

In case the supplier wants to extend deadlines, the supplier shall ask the responsible inspection station in writing and shall document the current status of the analysis result and the reasons and the target date in the IT inspection system.

3.4.2. Calculating Acceptance Rates (AQ)

Daimler and the supplier shall calculate the acceptance rate on the basis of the results obtained in the damaged part analysis. All acceptance rates usually relate to a specific parts family and a defined incidence period. The acceptance rates identified shall be applied to global damage claims.

The acceptance rate is calculated as the number of damaged parts accepted by the supplier out of all damaged parts submitted as "warranty goods".

The Daimler inspection station reserves the right to audit the damaged part analysis process with the supplier at any time after providing suitable notice in line with the VDA standard "Damaged part analysis field – Audit standard." This audit also assesses the implementation of all sections of "MB Standard 10448 Damaged part analysis field".

A score of less than 90% according to the VDA "Damaged part analysis field – Audit standard" indicates that the supplier's analysis of damaged parts is unviable or only partially viable. This means that the actual acceptance rate must be greater than shown by the supplier's results. To establish a realistic acceptance rate, Daimler can negotiate an audit surcharge (AZ) with the supplier based on its score.

$$AQ[\%] = \frac{\begin{array}{c}[(\text{Total of accepted damaged parts}) + \\ (\text{Total of damaged parts not analyzed on time}) + \\ (\text{Total of parts not returned on time})]\end{array}}{\text{Number of damaged parts analyzed}} \times 100 + AZ[\%]$$

AQ[%] amounts to a maximum of 100%

3.4.3. Product and Process Changes and Production Relocations

In the event of product changes, process changes, or production relocations not advised by the supplier in line with MBST 13 (Production Process and Product Approval) or not approved by Daimler, the acceptance rate shall be 100%, unless the supplier proves that there is no causal connection with the occurrence of the defect. In the case of assemblies or multi-part deliveries, this shall include the parts procured by the supplier from Sub-contractors or Sub-suppliers.

3.4.4. Regulation of Costs in Damaged Part Analysis

The costs incurred in connection with the damaged part analysis shall be borne by the supplier and Daimler each respectively. Transportation and logistics costs incurred shall be paid by the respective recipient. If the supplier demands additional returns of parts other than the Warranty Random Sample, the supplier shall bear the transportation and logistics costs incurred.

3.4.5. No Trouble Found (NTF) - Process

If no defects or reasons for breakdown are found after performing the damaged part analysis, Daimler and the supplier shall agree to perform an NTF process as per VDA volume “Damaged part analysis field” and “MB Standard 10448 Damaged part analysis field”. The NTF process serves to find the cause of a problem not identified in a damaged part analysis. By arrangement with the supplier, this shall enter into effect if it has not been possible to trace a customer complaint by way of performing a damaged part analysis by the supplier (“OK as per finding”/”i.O. gemäß Befundung”).

3.5. Processing of Warranty Claims

3.5.1. Warranty Cost Determination

The supplier shall reimburse Daimler the following costs per claim in the event of standard recourse if these are due to defective performance (warranty costs):

- Daimler purchase price of spare part in the “year incurred” (this being the year in which the damage incurred)
- 40% of the purchase price of the spare part in the year incurred (“handling costs”) as compensation for expenses in central spare parts operations, for the transportation costs of spare parts from receipt of goods by Daimler to the place of subsequent performance, for service workshop expenses, for parts procurement, storage, and other ancillary costs; the supplier may provide evidence that these costs have not been incurred or were incurred at significantly less than 40% of the purchase price of the relevant spare part
- All labor costs (removal and installation costs including diagnosis and analysis costs) as the average wage cost in line with the actual wage costs incurred in service workshops worldwide in connection with the defect

Warranty costs = Daimler purchase price + handling costs + labor costs

3.5.2. Calculation of Recovery Volume

The recovery volume is calculated by multiplying the acceptance rate (AQ) by the sum of warranty costs worldwide.

Recovery volume = AQ x warranty costs of the supplier worldwide

3.5.3. Invoicing in Standard Recourse

The warranty costs are determined for each calendar year ("year incurred," this being the year in which the damage incurred). The supplier usually receives an annual debit memo from Daimler for the recourse volume recorded in the past calendar year in Daimler systems worldwide and the claims assigned to the supplier.

4. Handling of Procedures for Special Recourse

Special recourse shall be given for defective deliveries if these have led to a recall, series damage, or damage to other components.

4.1. Recall

A recall within the meaning of these regulations occurs if, on account of a defective product and the resulting violation of statutory or official regulations, particularly safety or environmental regulations, actions to remedy the defects in vehicles ("field measure") are ordered by the responsible authorities or performed voluntarily by Daimler in compliance with provisions. Furthermore, all field measures performed on account of a defective product are considered recalls if they serve to defend against risk to life and limb.

4.2. Damage to Other Components

Damage to other components occurs if, as a result of defective delivery or performance by the supplier, vehicle components other than the defective one are damaged or if other parts have to be exchanged or replaced in the course of repairs to the defective part delivered.

4.3. Series Damage

Series damage occurs in the event of every defect that, based on goods of the same type delivered in one production month (calendar month) leads to a defect rate in vehicles of more than 3% (defective vehicles/total vehicles produced). In the event of a defect rate of less than 3%, it will be coordinated with the supplier whether this damage will also be treated as series damage..

4.4. Processing of Warranty Claims

Individual agreements will be concluded with supplier on the processing of Daimler warranty claims for special recourse. The processing regulations for standard recourse (section 3 of these regulations) do not apply; however, the provisions made in Clause 3.4.3 (Product and Process Changes and Production Relocations) will be applied accordingly in cases involving special recourse.

5. Claims Despite Acceptance

The acceptance or approval of submitted samples by Daimler and compliance with test provisions do not affect Daimler's claims.

6. Deliveries/Performance by Third Parties

The supplier shall in general manufacture the parts itself. In case the supplier procures deliverables and/or services for the manufacturing of the parts from third parties ("Sub-contractors") or in case

the supplier procures the parts from third parties (“Sub-suppliers”), the supplier shall continuously monitor that these deliveries and/or services are free from defects.

In case Daimler raises claims against the supplier due to defective parts and should these claims be subject to a fault [Verschulden] of the supplier, the supplier shall also be liable for faults [Verschulden] of Sub-contractors and Sub-suppliers to the same extent as own fault [Verschulden].

7. Arbitration Expert

If supplier and Daimler (together: “Parties”) are in dispute, whether supplier’s deliveries or services are free of defects, the Parties will, on request of one party, within three months agree on an arbitration expert who will be jointly mandated by both Parties. If the Parties fail to agree on an arbitration expert and to mandate him within the above mentioned time limit, Daimler is entitled to make a request to the President of the Chamber of Commerce and Industry Region Stuttgart, that he may appoint an arbitration expert. After appointment of the arbitration expert, Daimler and supplier shall jointly mandate the arbitration expert. If the Parties fail to jointly mandate the arbitration expert within three months after appointment of the arbitration expert, Daimler as well as supplier is entitled to unilaterally mandate the arbitration expert.

In his examination, the arbitration expert examines and decides on the matter in dispute with binding effect for both Parties. The arbitration expert shall hear both Parties to an appropriate extent. The arbitration expert shall – except as otherwise provided by the Parties – answer the question, if the supplier’s deliveries or services are free of defects. The supplier will provide to the arbitration expert all information necessary for the examination.

Daimler is entitled to withdraw the request to the President of the Chamber of Commerce and Industry Region Stuttgart, if the arbitration expert fails to submit his examination within appropriate time. By such withdrawal, the arbitration expert proceedings are terminated. In this case, Daimler is also entitled to terminate the mandate of the arbitration expert, irrespective of whether the arbitration expert was mandated jointly or solely by one party.

8. Other Rights

Other statutory or contractual rights of Daimler remain unaffected by these regulations.

9. Information Relevant to Recourse for the Supplier; Contacts

The supplier may obtain information relevant to recourse from the IT recourse system maintained by Daimler via the supplier portal, or also by receiving a notification from EvoBus. It is in the interest of the supplier to regularly review this information as it will provide the supplier with an overview, for example of defects of its parts.
In order to ensure smooth communications in cases of recourse, the return of damaged parts, and their analysis, the supplier shall identify to Daimler at least one responsible contact and shall inform the Daimler divisions to which it makes deliveries (passenger vehicles, truck, van, and EvoBus) without undue delay of any changes of contact persons and/or modifications of their contact information.

Failure Mode and Effects Analysis (FMEA)

The supplier shall create and maintain a FMEA for the product and process for the system and/or component which are to be developed/supplied in a timely manner using a suitable system. The procedure shall correspond to VDA Volume 4, Chapter 3. The supplier is solely responsible for its FMEA scope.

The interfaces of the FMEA shall be coordinated with the responsible Daimler department before the creation of the FMEA. If necessary, the Daimler departments will specify the assessment of the significance of fault sequences (“significance B”).

If the system contains software, the system structure should preferably be presented in a function-oriented manner. The structure can be derived from a function analysis that describes the interaction of a system’s functions and sub-functions. The key software functions shall be analyzed analogous to hardware functions and taken into account in the system structure.

Further requirements can be defined by Daimler in the requirement specifications or other specifications and guidelines.

The FMEA documents shall be provided to Daimler for inspection upon request.

All documents in connection with this process shall be archived by the supplier for 15 years following the discontinuation of series production.

Delivery Call-off

1. General Section

1.1. The Delivery Call-off

Daimler's parts requirements are calculated using a computerized process and are electronically transmitted, per item, in the "delivery call-off" form via electronic data transmission (abbreviated as "EDI" in the following) or, in exceptional cases, via EDI web/fax or e-mail.
The procedure conforms to VDA recommendation 4904 with minor deviations required due to Daimler's internal organizational procedures. The EDI web procedures may only be applied in exceptional cases with the express approval of Daimler.

Details on using EDI are governed in the EDI manual[1] and are binding for the supplier.

The required quantities are allocated to precise calendar days over a short-term period (2-3 months). These date-specific deadlines are for the receipt of the parts at Daimler and adherence is mandatory. For deliveries to Daimler plants outside of Germany, deviating delivery call-off deadlines may be defined in the relevant purchasing contract. The cumulative quantity (called FZ) and the difference to the required FZ of the last delivery call-off are specified for each delivery installment. This makes it possible to see immediately what changes have occurred in comparison to the previous program. Required quantities shall only be delivered on the basis of the latest delivery call-off..

1.2. Purchase Commitment

In the event of full or partial cancellation of order quantities, Daimler commits to purchase the ordered product or feed stock material for this delivery scope for the periods defined in the "Production release" or "Material release" fields.

In such cases, the purchase commitment „1+2" months applies to the Mercedes-Benz Cars division and „2+2" months applies to the Mercedes-Benz Commercial Vehicles division. This means that a firm purchase commitment exists for the unit quantities up to the date defined in the „Production release" field (a one-month requirement for Mercedes-Benz Cars and a two-month requirement for

[1] The EDI manual can be found in the global supplier portal under http://supplier.Daimler.com

Mercedes-Benz Commercial Vehicles). The supplier is authorized to place orders for feed stock up to the date defined in the „Material release“ field (i.e. two months). The supplier is not, however, authorized to begin production.

The purchase commitment granted by Daimler refers to the highest cumulative quantity in the „Production release“ and „Material release“ periods in the relevant delivery call-offs for the particular day. The delivery of products shall, however, be based on the latest delivery call-off. Incoming deliveries shall be coordinated with the responsible scheduler.

Required quantities given for outside of the period defined in the „Production release“ or „Material release“ field represent non-binding planning figures provided for informational purposes only. No purchase commitment exists for these quantities.

The “Production release” or “Materials release” period begins on the date the delivery call-off is created and applies with daily progression for the stated period as long as no new delivery call-off is issued.

If consignments in addition to the indicated latest deliveries are on the way to Daimler, these quantities shall count towards the next due delivery installment. Changes (supplementary orders, initial orders for new parts, postponements or cancellations) that are disclosed to the supplier in the form of modified delivery call-offs and delivery schedules shall be added by the supplier to the current delivery call-off until a new delivery call-off is received.

1.3. Direct Communication

Adherence to the required quantities and delivery dates specified by Daimler is mandatory. There is therefore no requirement for the supplier to confirm the delivery call-off. In exceptional cases, request for changes shall be coordinated without delay with the responsible materials scheduling unit at Daimler and if approved, confirmed using a copy of the delivery call-off. If the supplier is unable to meet the delivery date, the supplier shall immediately notify the materials scheduling unit at the respective Daimler plant

In order to minimize the risk of missing quantities or overstocking accordingly the supplier shall conduct a plausibility check of the delivery quantities specified in the most recent delivery call-off and, if discrepancies are discovered, immediately notify the materials scheduling unit at the respective Daimler plant.

2. Further Provisions

2.1. Supplier Management Base (SMB)

If required by the receiving Daimler plant, the supplier shall enter a binding delivery deadline and a binding delivery quantity into the BBM (requirements and inventory management) system.

If required by the receiving Daimler plant, the supplier shall likewise enter its capacities into the BKM (inventory and capacity management) system.

2.2. Supplementary Code (ES Code)

There are various processes that require that identical parts are handled separately in the supply chain using different ES1 codes (e.g. ES 0005 for service parts, ES 0064 for parts with different origins, ES 0080 for new parts identified as remanufactured parts). The supplier shall be able to simultaneously process delivery call-offs both with and without supplementary codes.

General Packaging Regulation and Handling of Containers

1. General Regulations

Daimler uses reusable packaging known as pool or special containers in the delivery of parts by suppliers. Information on container management processes is exchanged between Daimler and its suppliers exclusively via the internet application “electronic Container Management” (eCon), which is available on the Daimler Supplier Portal (https://Daimler.portal.covisint.com).

2. Handling of Containers

When using the containers required for parts deliveries, the supplier will comply with the regulations of the container management process manual. If, in addition, specific packaging requirements necessitate deviations from the regulations of the process manual, a jointly coordinated solution must be agreed between the affected partners:

- for production material with the responsible packaging planner at the recipient plant (see eCon),
- for Mercedes-Benz original parts with the responsible Global Logistics Center packaging planner,
- for raw materials and supplies with the respective buyer.

If several plants are affected by the exception, the supplier undertakes coordination for all of the affected recipient plants.

2.1. Member Plants in the Daimler Container Pool

The supplier may only supply those plants affiliated to the Daimler container pool (see eCon for current listing) with containers made available by the Daimler container pool. In the event that non-affiliated plants or companies are supplied, any resulting loss of containers will be invoiced to the supplier (see also 2.10).

2.2. Packaging Definition

The packaging is defined by the recipient plant’s responsible packaging planner in coordination with the packaging planner of the supplier authorized in eCon. The packaging data sheets are available in eCon. Different packaging can be defined for identical parts. Deviating packaging may only be used in exceptions and in coordination with the recipient plant’s responsible packaging planner.

If the supplier fails to adhere to the defined container, Daimler reserves the right to invoice the supplier for the additional costs which are incurred by the recipient plant (e.g. repackaging costs and administrative expenses).

2.3. Requirement Planning and Requirement Determination

In the case of pool containers, a supply requirement determination is performed by Daimler for each container type. The major influencing variables thereby are the current packaging plans, parts requirements filling capacities and the container circulation factors. In the case of special containers, requirement determination is carried out jointly by the supplier and the recipient plant based on the planned production figures, the container filling capacities and the container circulation factors.
The supplier circulation factor forms the basis for the supplier's supply with containers. By default, the supplier receives a base range of 5 workdays from Daimler for all container types. For specific delivery types (e.g. JIS, JIT), the base range is reduced. Upon consultation, additional container volumes to the base range can be agreed which, however, should only exceed 10 workdays in justified exceptions. Such additional container volumes can only be provided if containers are available. The range for pool containers has to be aligned with the central container management at Daimler. In exceptional cases, Daimler is entitled to temporarily reduce the additional container volumes granted for pool containers by a maximum of 2 days, but not more than down to the base range of 5 workdays. This reduction takes place after prior coordination with the supplier. Additional volume requirements for special containers as well as plant-specific additional volume requirements for pool containers (e.g. stock subject to time limit) are to be coordinated with the packaging planner of the recipient plant. The responsible container planner must be informed of changes to the form of delivery and relocations immediately when these become known.

2.4. Procurement of Containers Built to Daimler Designs

Containers according to Daimler designs are usually procured by Daimler. The containers procured by Daimler are the property of Daimler. Containers built to Daimler designs as well as copies of Daimler designs must not be procured and/or brought into circulation by the supplier. If such containers are still brought into circulation, they may be separated out or – provided a clear allocation is possible - be returned at the expense of the culpable supplier.

2.5. Procurement of Multi-manufacturer Designs (e.g. VDA Containers, EWPS)

As a rule, VDA containers are procured by Daimler. Additional container volumes can be requested from the central container management at Daimler AG or procured by suppliers themselves.
All parties involved are responsible for the functional capability of the container pool.
Multi-manufacturer special containers (e.g. EWPS) are generally procured by the supplier. In this case, the supplier bears the corresponding responsibility (replacement, repairs etc.). The supplier is obliged to identify these containers with an official Daimler container number and manage them under this number. The Daimler container number must be requested from the responsible container planner.

2.6. Supplier Designs

The supplier may design and procure special containers subject to its own responsibility following prior coordination with Daimler. The supplier is obliged to identify these special containers with an official Daimler container number and manage them under this number. The Daimler container number must be requested from the responsible container planner. The supplier is the owner and bears corresponding responsibility (repair, provision on schedule and as required).

2.7. Usage Charge

If containers are procured by Daimler, Daimler will collect a usage charge for use of the containers by the supplier. If the containers are procured by the supplier, no invoicing by Daimler is carried out. The usage charge distinguishes between a rental system and a debiting system. In case of pool containers, invoicing is performed centrally by means of a stock-oriented rental process.
The containers of relevance to the rental system and their rental prices per calendar day are stored in eCon. Daimler creates quarterly rental bills and provides the annexes to the rental bills on eCon.
The use of special containers is charged via a debiting process based on actual requirements. Debits are made by the plants. The significant characteristics of these two processes are described in the container management process manual. In individual cases, special agreements can be made with the supplier on the use of special containers for individual plants.

2.8. Control of Supplies

The supply of empties is performed actively by the Daimler respective plant or by an empties shipping plant located at an optimized distance, based on account management and requirement planning.
If Daimler is the freight payer for parts deliveries, Daimler will also assume the freight costs for the delivery of empties. If the supplier is the freight payer for parts deliveries, the costs for the delivery of empties will also be borne by the supplier. To optimize freight and handling costs, empties are generally delivered in complete containers and transport units.
The suppliers shall support steering by constantly checking the stock of empties and booked stocks. In the event of imminent container bottlenecks, the plants‘ empties dispatch departments shall be informed in good time with due regard to the empties provision time. The supplier‘s obligation to deliver remains in force without limitation even in the event of empties bottlenecks.
Unless otherwise agreed, the supplier will usually be provided with series production containers for the first production test (e.g. PRO 1, try out 1) in the event of series production launches.

2.9. Account Management

Accounts for pool containers are managed centrally. Accounts for special containers are either managed by the plant or are not subject to account management. Accounts for Daimler containers are managed by Daimler. The data quality of delivery notes and shipping documents directly influences needs-driven container supply and the level of the usage charge.

For account managed containers, Daimler creates monthly container account statements and makes these available to the supplier for checking in eCon. These form the basis for clarification of discrepancies as well as for rental price invoices concerning pool containers.

The deadline for objections is 6 weeks after the publication of the account statements in eCon. If the supplier does not raise objections within these 6 weeks, the published balances are considered as accepted by the supplier. Daimler reserves the right to invoice the supplier for expenses resulting from processing unwarranted complaints.

Daimler reserves the right to compare the supplier's container volume requirements with booked stocks. If excess stocks are detected in the process, they can be claimed back from the supplier. If the containers are not returned, Daimler is entitled to procure replacements and invoice the supplier for the replacement at standard prices.

2.10. Inventory/Stock Taking

For all pool containers and defined special containers with accounts managed by the plants, the supplier shall perform an inventory annually by December 31. The supplier must record the counting results in an electronic stock taking list via eCon. The supplier is responsible for the correctness of the transferred counting results. In exceptional cases (e.g. in the event of container supply bottlenecks) additional stock taking during the year may be necessary.

Daimler reserves the right to validate the transferred stock taking results by means of an on-site audit. The supplier ensures free access to Daimler containers to authorized inspectors and supports them during the inventory.

If stock discrepancies are detected, Daimler will procure replacements, which will be invoiced to the supplier unless the supplier is not culpable. If during the clearing process the supplier subsequently corrects its original inventory report and Daimler has already procured the reported quantity of missing containers, the supplier shall recompense 10% of the reprocurement value.

Daimler will collect a processing fee for the processing of stock discrepancies. Should the supplier fail to comply with its obligations to count the container stocks and report these figures to Daimler in good time the despite repeated notifications and reminders, a total loss of the containers is assumed. Daimler is entitled to procure replacements and invoice them to the supplier at the standard prices. The charges levied cannot be offset in inventory reports in subsequent years.

Shipment of Goods

1. General

The following provisions apply to the shipment of goods, including the requirements pertaining to the creation of delivery notes and goods labels as well as other documents.

1.1. Declaration of Origin of Goods

If the supplier‘s place of business and/or production plant is located in the European Union, in accordance with the valid regulations concerning the preferential origin of goods, the supplier must issue a declaration pursuant to Regulation (EU) No. 1207/2001 in the respectively valid version (individual or long-term declaration).
Furthermore, the supplier must disclose the non-preferential origin of goods (in terms of commercial law) pursuant to Art. 22 ff. Regulation (EU) No. 2913/92 and Art. 35 ff. Regulation (EU) No 450/2008 in the respectively valid version. The disclosure must take place together with the issuance of the supplier declaration on the preferential origin of goods.
As a general principle, with the order or - in the case of an ongoing business relationship - annually, the supplier shall receive the following from Daimler:

- a) a request for the submission of a supplier declaration including a presentation of the binding procedural approach to be observed, **or**
- b) a corresponding letter with the supplier declaration form to be used.

The supplier shall submit the signed supplier declaration to Daimler within a period of four weeks following the receipt of the request/letter, but not later than at the time of delivery. As a general rule, each (long-term) supplier declaration must be signed by hand. The responsible individuals must be identified by name and their position in the company must be disclosed. In the event of electronic preparation, a handwritten signature can be omitted. In such a case, Daimler must be provided with a written declaration of commitment at the latest with the transmission of the first declaration (see also. Art. 5 (3) Regulation (EU) No. 1207/2001). The declaration of commitment must be sent to Daimler AG, Hauspost-Code H513, 76725 Germersheim.

If, as an exception, the supplier prints the supplier declaration on its own business stationery or transmits the information on preference/origin of goods by means of electronic data interchange (EDI) in a departure from the procedure specified above, the procedure must be agreed with Daimler **in advance**.

In such case, the supplier is under obligation to ensure that the wording of the submitted supplier declaration corresponds exactly to the legal stipulations of Regulation (EU) No. 1207/2001 in the respectively valid version. The supplier declaration must contain an exact description of the delivered goods in order to ensure that the goods can be clearly identified. The Daimler article number and goods description must be disclosed as a minimum requirement.

The supplier must notify Daimler **without delay** (Daimler AG, Hauspost-Code H513, 76725 Germersheim) if the disclosures provided in connection with a long-term supplier declaration no longer apply.
In addition, the supplier must also notify Daimler (current address: Daimler AG, H513, 76725 Germersheim) **without delay** if turns out that declarations issued in the past concerning the preferential and non-preferential origin of goods (supplier declaration/long-term supplier declaration/ movement certificate/declaration on the invoice) were issued wrongly.

If the supplier‘s place of business and/or production plant is located in a country with which an EU free trade agreement is in existence, the supplier shall issue documentary proof of preference (movement certificate / declaration of origin on the invoice) for each delivery. The provisions of the free trade agreements must be observed.

1.2. Notification Obligations for Goods Subject to Export Control

The supplier is obligated to notify Daimler if the goods supplied (including software and technology) are recorded in export control lists of goods required under German, EU or US Export Control Law and the national export control law of the goods‘ country of origin (e.g. Common Military List, Annex I of the EU Dual-Use Regulation 428/2009, US Commerce Control List). If the supplied goods represent „US goods“[1] as defined in US Export Control Law (= items subject to the EAR or subject to the ITAR), the supplier must notify Daimler accordingly. If the supplied goods contain US portions, the supplier is also obligated to declare the total value (standard purchase price or current market price) of the US portion and the applicable export control classification (ECCN XXXXX or EAR99),
if this information is available to the supplier.

For the fulfillment of the aforementioned notification obligations, the supplier must report the relevant export list numbers (e.g. item number on the German export control list and/or Annex I of the EU Dual Use Regulation 428/2009, Export Control Classification Number [ECCN], U.S. Munitions List [USML] etc.) and, where applicable, the value of the corresponding shares of US goods contained in the respective goods item with disclosure of the Daimler part number (if available) to the Daimler Central Export Control Department (mail to: mbox-096-exportkontrolle@Daimler.com).

Moreover, the supplier is obligated to inform Daimler without delay of all changes in connection with data of delivered goods that is relevant for purposes of export control. Any questions in this regard must be addressed to the above mentioned email address.

[1] 1 US goods = all goods produced in the USA as well as all goods produced outside in the USA with a US value share of > 10 %;
all goods produced on the basis of controlled US technology; all military US goods (ITAR), even when they are incorporated in civilian goods

1.3. Deliveries in Accordance with Incoterms 2010/Groups E and F

In case of deliveries “FCA (...specified location)” or other terms of delivery in accordance with Incoterms 2010/Groups E (EXW) and F (FCA, FAS or FOB), the supplier shall only transfer the goods to the freight forwarder commissioned by Daimler (see Section 1.14). Intermediate use of a shipping company by the supplier is not permitted. If, contrary to the agreed terms of delivery, the supplier delivers the goods to Daimler itself, the supplier bears the freight costs and risk up to the takeover by Daimler.

1.4. Deliveries in Accordance with Incoterms 2010/Group D (DAT, DAP or DDP)

If the supplier commissions the freight forwarder, the freight forwarder to be commissioned and the vehicle configuration to be used must be coordinated with the transport logistics or incoming goods department of the receiving plant of Daimler.

1.5. Scheduled Goods

Scheduled goods are all timed and/or dated shipments which are scheduled outside the regular shipping runs. In this case the supplier must coordinate the shipment type with transport logistics of the receiving plant and the order planning department. This must be recorded in written form.

1.6. Shipping/Transport Sequence Disturbances

Any disturbances in the specified sequence, including disturbances caused by second tier suppliers, must be immediately reported by the supplier both to the freight forwarder and to the responsible order planning department of the relevant Daimler plant, orally or in written form with exact disclosure of the reason and type of the disturbance. Disturbances must be promptly remedied. If there is a disruption to the previously advised transportation, any resulting costs to freight forwarder must be borne by the supplier.

1.7. Excess/Advance Deliveries

The supplier is only authorized to make partial deliveries, deliveries prior to the issue of a delivery call-off and additional deliveries with the prior written consent of Daimler. If, counter to this stipulation, the supplier transfers the goods to a freight forwarder or carrier, etc. commissioned by Daimler, the supplier bears the risk up to transfer in the Daimler recipient plant. Logistical costs for warehousing or return of unauthorized excess/advance deliveries are borne by the supplier.

The required quantities called-off in accordance with MBST 17/19 and delivery dates must be observed by the supplier.

If, contrary to these agreements, required quantities and delivery dates are not complied with, Daimler can charge proven resulting costs (e.g. additional work, rental cars) to the supplier in accordance with statutory provisions.

1.8. Weight Determination

The supplier is responsible for proper determination of the gross weight and tare weight of the shipment. If weights are improperly stated, Daimler passes on the added freight charges, plus processing fee, to the supplier.

1.9. Information Obligation

Planned changes to the shipping or receiving location, e.g. due to the relocation of production to a different supplier plant or the establishment of a shipping warehouse in a different location, must be reported to materials purchasing department. In cooperation with the plants involved, an economic viability analysis will be created, the results of which might have an impact on pricing for parts. A physical change of the location may only take place after a corresponding amendment to purchase agreement and the associated approval of Daimler. In this case the supplier needs to request for issuing a separate supplier number or adding an index to the existing supplier number. If a location change is effected without Daimler's approval, the supplier shall bear all arising costs and damages.

1.10. Shipment of Hazardous Goods

In the context of the agreed services that are assumed by the supplier, activities relevant to hazardous goods as per Section 2 of German Hazardous Goods Transportation Act (GGBefG) (packaging, loading, transportation, unloading, receiving, classifying dangerous goods and waste...) may be necessary. The supplier is obligated to submit the shipment for forwarding in accordance with the regulations governing the transport of hazardous goods. The supplier‘s assigned duties and responsibilities as commissioner of the sender, sender, packer, shipper, filler, unloader, and recipient arise from Sections 17 – 30 and 35 of the German regulation concerning the transport of dangerous goods by road, rail and inland waterways (GGVSEB) in conjunction with Section 1.4 ADR/RID/ADN, from Section 9 Transport of Dangerous Goods by Sea Ordinance (GGVSee) in conjunction with Section 1.3 IMDG Code and/or as per ICAO-TI/IATA-DGR. The supplier shall be responsible for all damages incurred as a result of non-compliance with the legal provisions.

1.11. Driving Bans

For all delivery terms in accordance with Incoterms 2010, the supplier shall make sure that delivery of the goods is ensured by the delivery date specified in the call-off even in the event that driving bans are imposed.

1.12. Return Goods

Return shipment of goods arising through the fault of the supplier will be organized by Daimler. Daimler will calculate and charge the arising additional costs in accordance with the principle of causation.

1.13. Stock Taking on Integration into Stock

In the event of a delivery in accordance with group D of Incoterms 2010, with respect to deliveries which are made at the time of stock taking in the Daimler plants, all goods in the possession of the freight forwarder (after the last acceptance day announced by the plants) will be inventoried by the supplier and insured against “loss of goods”.

1.14. Daimler Supplier Portal

All other transport-related information such as transit times or the freight forwarders commissioned by Daimler can be viewed in the Daimler Supplier Portal at http://supplier.Daimler.com in the download area under the tab „Worldwide Transportation“. The documents provided there must be reviewed by the suppliers on a regular basis for any changes.

1.15. Production Supply

In the event of complaints about the goods or disruptions during the shipping, the supplier must ensure that replacement deliveries for the receiving plant and the commissioned freight forwarder are possible at all times.

1.16. Security in the Supply Chain

For securing the supply chain, the business partner is obligated to provide protection from third party access for goods which are produced, on stock, handled and processed by order of Daimler, are delivered to Daimler, or are taken over from Daimler

- in secure operating facilities and secure trans-shipment locations
- during the production, warehousing, handling or processing, loading and forwarding of the goods.

The business partner warrants that the personnel assigned for the production, warehousing, handling or processing, and loading of the goods, as well as for the forwarding and takeover of said goods, is reliable. Subcontractors of the business partner of Daimler who are acting on its behalf must be informed that they also have to implement measures to secure the supply chain.

2. Modes of Transport and Shipping Methods

The mode of transport and shipping method to be used are generally defined by Daimler in case F-Incoterms (FCA, FAS or FOB) are agreed in the specific delivery contract. In this context, a distinction is made between the following:

2.1. Parcel Shipment

All parcel shipments with a weight up to 32 kg must be handed over to the parcel service defined and commissioned by Daimler. The service level „Standard“ must be selected. Ordering of a higher service level („Express“) is only possible with the prior written consent of transport logistics of the receiving plant and the order planning department. Additional costs resulting from an unapproved order must be borne by the supplier.

Hazardous goods shipments must not be sent as parcel shipments and must be handed over to the responsible regional freight forwarder.

Further information on the shipping processing is provided in the shipping instruction for parcel shipments in the Daimler Supplier Portal (see Section 1.14) and must be observed in a binding manner.

2.2. Truck Shipment

A distinction is made between two truck shipping concepts:

2.2.1. Regional freight forwarding

The regional freight forwarding network is used for processing of partial loads, piece goods and sporadic full loads. The responsible regional freight forwarder depends on the outgoing delivery location of the supplier, and can be looked up on the Daimler Supplier Portal (see Section 1.14).

2.2.2. Direct Transport

The receiving plants regularly define recurrent full truck loads as direct deliveries or milk runs. These are subject to a separate shipping instruction.

2.3. Rail Shipment

Rail shipment is only permissible if expressly requested by Daimler and the processing modalities have been agreed in writing in advance in individual cases.

2.4. Special Tours

Special tours relate exclusively to time-controlled road transport of goods for ensuring production supply, which can otherwise not be ensured via the aforementioned types of shipping. In the order for a special tour by Daimler, the respective receiving plant determines the special tour operator and authorizes the appropriate charge for the costs as required.
In cases where the supplier causes and assumes the costs, it determines the special tour operator.

3. Shipment Processing

3.1. Delivery call-off and transit time

The scheduled dates for goods receiving listed in the Daimler delivery call-offs apply for a delivery at the affected Daimler plants within the regular goods acceptance times. The transit times from the supply plant to the Daimler receiving plant must be taken into consideration in the notification time. The supplier is responsible for adherence to the scheduled arrival dates of the shipments at Daimler, and must therefore announce and provide the shipments to the freight forwarder for transportation within good time.

The respective currently valid transit times are provided in the Daimler Supplier Portal (see Section 1.14).

3.2. Notification

The shipping quantity of the current call-off must be notified to the freight forwarder for transportation in writing by 4:00 p.m. at the latest on the day prior to provision. If a web-based notification portal is provided by Daimler or by the freight forwarder, it must be used as a mandatory requirement. In any other case, written notification (text form sufficient) in accordance with the specifications of the freight forwarder is required.

The dispatch notice must contain the following information:

- Weight, number and type of load carriers and number of load meters (poss. disposable pallets, crates, boxes and their stackability)
- Receiving plant/shipping address with precise specification of the unloading station(s)
- Scheduled arrival date/ arrival time,
- Hazardous goods classification
- Declaration of customs status (EU community goods yes/no)
- Agreed vehicle provision time at the supplier's premises
- Loading sequence (exclusively for the direct shipping concept)

Notices sent after 4:00 p.m. and subsequent notification changes (bigger or smaller quantity) in excess of 10% per receiving plant of the notified tonnage may lead to additional costs. The supplier is obligated to bear the incurring additional costs with respect to the freight forwarder. The supplier agrees that the freight forwarder will invoice these additional costs directly to the supplier.

3.3. Provision Time and Shipping Quantity

The supplier and the freight forwarder must sign a joint written agreement (text form sufficient) about the pick-up time as partners. Unilateral determination is not allowed. Cost assumption for the booking of time windows by the freight forwarder is also not intended.

Unless otherwise agreed or if no viable solution can be found by both parties, the goods must be provided for collection, ready for shipping, on the shipping date from 6:00 a.m. Collection by the freight forwarder must be enabled until 6:00 p.m. This provision obligation applies from Monday up to and including Friday. In exceptional cases, Daimler is entitled to request a Saturday pick-up. The shipping mode must be coordinated with the respective receiving plant. If shipments are not provided on time, the costs of any required special measures must be borne by the supplier.

In the event of a difference between the quantity that has been notified and the quantity that is actually provided, which is greater than the range specified under 3.2, the following rules apply:

- Lesser quantities: The freight forwarder is entitled to bill the supplier for the tonnage in excess of the specified fluctuation range as a freight loss. The currently valid cost rates are provided on the Daimler Supplier Portal (see Section 1.14).
- Additional quantities: The supplier is obligated to coordinate the quantity in excess of the fluctuation range in writing with the freight forwarder before loading. If the freight forwarder indicates that he is not able to collect or transport the additional quantities to the receiving plant, the supplier must initiate special measures in coordination with Daimler AG.

The required written consent by Daimler pursuant to No. 1.7 remains unaffected.

3.4. Loading

The loading and dispatch must be effected without delay once the vehicle has been made available or at the latest as of the start of the agreed time window. If the supplier carries out the loading, he must load the goods in such a way that they will be safe for transportation and must follow the instructions of the shipping agent‘s drivers in respect of safe loading. Care must be taken to ensure

that in case of small load carriers or cardboard boxes, only load units that can be put on palettes and stacked can be loaded. Refer to Daimler Guideline 9.5 for further details on load securing of Daimler load carriers.

Under the prerequisites of timely loading which is safe for transportation purposes, sorting according to the sense of unloading zones and unloading points must also be ensured.

When shipping partial loads which are not transferred at a shipping terminal (clarification of this procedure immediately on notification of the shipment), the goods must be loaded separately on the truck according to unloading zones in accordance with the specifications of the receiving plant.

Combinable package freight and partial loads from several sub-plants are to be dispatched centrally at one shipping location. Full truck loads from several sub-plants can be dispatched via decentralized shipping locations at any time.

Within the scope of the performance for Daimler, the supplier must ensure that only driving personnel which is appropriately employed in accordance with §§ 7b and c GüKG is deployed. Daimler reserves the right to control and document the conformity with this obligation in the framework of the legal possibilities. To the extent it is responsible for non-compliance with this obligation, the supplier will indemnify Daimler from claims of third parties.

3.5. Processing Time

The delivery of empties must also be possible at the time as of collection. Unloading of empties for the supplier and loading including the administrative processing must be carried out promptly when the truck is provided or in the agreed window within the following times:

- Package freight up to 2.5 t or up to 10 cbm — max. 30 minutes
- Partial loads up to 10 t or up to 40 cbm — max. 45 minutes
- Full truck loads — max. 60 minutes

At the request of the freight forwarder, the supplier is obligated to confirm the start and end of vehicle provision on a docket. Late processing times lead to additional costs and must be borne by the supplier.

Different bilateral agreements between the supplier and the freight forwarder are possible at any time. The supplier is obligated to bear the customary additional costs with respect to the freight forwarder. The supplier agrees that the freight forwarder will invoice these additional costs directly to the supplier.

3.6. Shipping Order VDA 4922/Waybill

The handover of shipments to the freight forwarder may only take place with the fully completed shipping order according to VDA 4922 or with a waybill. It must be ensured that the gross weights reported in the VDA 4913 are consistent with those in the VDA 4922 and the waybill.

The information regarding the load carrier type and number must be provided separately for each unloading station. In addition, it must be possible to record the additional information described in VDA 4922 point 7 (bar code fields) on the freight document.

For full truck loads, which are not handled in a shipping terminal, the supplier must transmit the freight documents electronically to the assigned freight forwarder in line with the instructions of the latter.

3.7. Customs Documents

All documents and information relevant to customs, e.g. preference papers (EUR. 1, UZ Form A and commercial invoice in triplicate), must be supplied to the freight forwarder.

3.8. Goods labels

All packages and load carriers (in case of a load unit each individual load carrier/small load carrier/special load carrier) must be provided with a goods label with barcode (code 39) in accordance with the relevant, valid version of VDA recommendation 4902. The field contents and any deviations from the VDA recommendation arise from the manual on electronic data interchange (EDI manual).

3.9. Delivery Note

The following applies to the combination variants for EDI and delivery documents: Variant 1 must be used. Variants 2 and 3 are intended only for emergency processing (EDI failure).

Variant	Electronic data interchange	Delivery note
1	DFÜ according to VDA 4913	EDI delivery note according to VDA 4912
2	DFÜ according to VDA 4913	Delivery note according to DIN 4991
3	without	Delivery note according to DIN 4991 mandatory

Further information on delivery note creation according to DIN 4991 and on shipping processing can be found in the EDI manual. A separate set of delivery notes must be created for each unloading station, MDI or MEI and initial samples. Delivery note creation is carried out according to DIN 4991. Deviations must be observed in the case of fields 6 and 8, which have to be completed as obligatory fields. Refer to the EDI manual for further details.

3.10. Delivery receipt

If any damage to the goods or discrepancies in the delivery is notified by Daimler, Daimler can demand a written declaration from the supplier certifying the undamaged and complete handover of the delivery to the freight forwarder commissioned by Daimler within a period of two days.

Communication with Daimler via Electronic Data Transmission (EDI) and Supplier Portal

1. General Section

1.1. Communication via EDI

To ensure a continuous, error-free and real-time flow of information, optimization of the exchange of data required in connection with the delivery process is an important objective for the global automotive industry.

EDI messages are transmitted in line with the messaging standards developed. Further information can be found inthe EDI manual (see beyond Para 1.5).

In view of this, the supplier is obligated to create and use the prerequisites required for communication with Daimler via EDI. The costs arising in this respect are covered by the price paid by Daimler for the deliveries.

Correspondence between the physical scope of the shipment, the content of the EDI message and the content of the documents accompanying the goods is vital to safeguard the logistical processes. In this regard, the supplier ensures that all of the necessary data and information are transmitted in full, in good time and without errors in the EDI transmissions.

For the avoidance of doubt it is noted that also regarding samples and empties supplies the communication has to be carried out by EDI.

1.2. Use of the Data Quality Management (DQM) System

To improve the quality of data during EDI transmissions and avoid costs incurred for reworking incomplete or incorrect data from the very start, Daimler provides its suppliers with an Internet-based DQM system. This enables suppliers to check independently the completeness and correctness of their EDI transmissions in advance.

Further information on the DQM system is contained in the EDI manual (see item 1.5, section 3.4).

1.3. Delivery Note Recording via DQM as an Alternative to Standard EDI

As an alternative to standard EDI, suppliers which do not use their own data communication software can create and transmit delivery note data free of charge in the DQM application.

Further information on delivery note recording can be found in the EDI manual.

1.4. Additional Expenses due to Process Disruptions

In the event of incorrect or incomplete data communication transmissions, the supplier must bear the resulting costs, insofar as it has caused these. The level of the costs in this case is oriented towards the prime costs incurred by Daimler for subsequent processing:

Basic handling charge per bill of charges	EUR 50.00
Amount per delivery note number recorded	EUR 10.00
Amount per delivery note item recorded	EUR 5.00
Amount per EDI error to be corrected	EUR 10.00

A breakdown of costs is available from DQM.

1.5. EDI Manual

The EDI manual can be found in the global supplier portal http://supplier.Daimler.com under “Daimler Downloads”.

2. Additional regulations

2.1. Transmission of revision status information and MTC Deliveries applicable to the car plants of Mercedes-Benz, SMART and Maybach, as well as the plants of Berlin-Marienfelde, Ludwigsfelde and Düsseldorf.

In order to optimize the processing of design stage-critical scopes and to improve the quality of logistical processes, a few additional, Daimler-specific formats are required for specifying design and change statuses in the corresponding fields of VDA Recommendations 4913 and 4902.
To achieve this, record type 716, with all of the data elements described in the EDI manual (table 3.6.1.6), must be assigned to text field 1 for all parts, and the goods label according to VDA 4902 must additionally be filled with the data elements described in the EDI manual in accordance with MBST 29.

2.2. Transmission of Delivery note -, order- and package information

If requested by the corresponding Daimler-Plant, the description field 1 of the record type 716 has to be filled additionally with the order. If requested by the corresponding Daimler-Plant, data items of the package information (record type 715) have to be used under mandatory indication of the package number, capacity and label indicator. The data has to be transmitted item oriented, so that a clear assignment of the delivery position/part number for a package is possible.

2.3. Use of the Systems via Daimler Supplier Portal

The supplier commits itself to follow all necessary information on the Daimler Supplier Portal (http://supplier.Daimler.com) relating to him regularly (e.g. dealing with compliance and sustainability, alerts, relevant documents, ...), as well as applications such as e.g. eDocs, CERTUS, ctime, SMB, IBL / DQM, ESEP ++, et al., to use after having been requested.

Regulation Concerning the Provision, Testing and Exchange of CAD and Electrics/Electronics Data

1. General

Daimler usually develops component parts, systems/modules and complete functions together with the supplier. Close communication and validation on the basis of a digital product description is required to structure the development process in an efficient, reliable and binding manner. To achieve this, continuous use of CAx tools such as Computer Aided Design (CAD), Engineering Data Management (EDM), electronic data transmission (EDI) and clear regulations for both parties are necessary. In the development department, early digital validation particularly involves packaging (digital mock-up of a full vehicle), constructability, calculation, kinematics plus production planning incl. production and ordering logistics. The after sales department uses the digital product description to support the spare part documentation process, the planning, creation and documentation of workshop and operating instruction information and of technical graphics and to support simulations.

2. Subject Matter

With regard to CAD data, the following provisions regulate the CAx/EDM process, i.e. project preparation, installation plus generation, testing and exchange; the scope to be provided by the supplier as well as the EDI. With regard to E/E data[1] the following provisions regulate the EDI.

3. CAD Data Exchange

VDA recommendations VDA 4961/2, VDA 4950, VDA 4951 and VDA 4955 are therefore defined as binding for processing communication and validation processes between the supplier and Daimler. The EDI link must basically be used to exchange CAD and E/E data.

3.1. Standard Regulation (Minimum CAx/EDI Standard)

Based on the VDA recommendations, more precise, Daimler-specific terms and additions in the CAD handbook for product-describing data from Daimler (CAD handbook))[2] will be defined via the relevant, current version.

[1] E/E data include software (e.g. hex, telematics files), software sources (ODX-F) plus relevant delivery notes and checksums (for hex file, ODX-F and Security Definition).
[2] See http://Daimler.covisint.com, Engineering Portal application, Engineering Service application, CAD manual section.

The minimum CAx/EDI standard (so-called “standard regulation”) is defined in the CAD handbook, module CS048. This standard regulation is binding unless there are other provisions in requirement specifications. In each case, the basis of such other regulations is the CAD manual, which contains all relevant methods and standards.

3.2. Affected Scopes

3.2.1. Development:

This affects all new, process-relevant CAD data or E/E data to be created or amended and any modifications to such data.

3.2.2. After Sales:

This affects all data for

- a) spare parts defined in mutual coordination by the after sales and development departments and the supplier are affected.
- b) the planning, creation and documentation of workshop and operating instruction information and technical graphics. This can also be product description data derived from 3D-CAD, e.g. in JT, Cinema4D or JPEG (2D images) format.

3.3. Use of Software

Data must be created, amended, forwarded and used with software that meets the agreed software requirements and allows the further usage and processing of data for commercial purposes.
The supplier will ensure that its sub-suppliers are subject to the same requirements.

3.4. Procedure in Case of Non-compliance

If certain elements of the standard regulation (e.g. data quality requirements, EDI standards) are not met or only partially met, this impacts directly on supplier evaluation. Information regarding the affected elements and the CAx/EDM profiles is published in the engineering portal[3].

If the CAD 3D and CAD 2D data provided by the supplier are not to meet the agreements or requirements, the recipient’s department which is responsible for design or the department responsible for the process decides on the further procedure:

- Following consultation, generation of the missing scopes or reworking of CAD data by the supplier or by a service provider commissioned by the latter at the supplier’s expense
- Following consultation, generation of the missing scopes or reworking of CAD data by a service provider commissioned by the Daimler at the expense of the supplier.

If Daimler incurs damages because the supplier fails to meet its specified contractual obligations, or fails to do so within good time, the supplier is liable to Daimler for resulting damages insofar as it is responsible for such damages.

[3] Siehe unter http://Daimler.covisint.com, Anwendung EngineeringPortal, Applikation EngineeringService, Rubrik Partnerintegration
[4] Siehe unter http://Daimler.covisint.com, Anwendung EngineeringPortal, Applikation EngineeringService, Rubrik NX bzw. ggf. Nachfolgesysteme

3.5. Reference Sources

The standard regulation refers to the necessary installation environment (CATIA supplier packages, STEP Assembly Manager SAM). The CAD supplier packages are available as free downloads from the Engineering Portal[4].

Sustainability and Environmental Protection

The following provisions regarding sustainability define the standards and criteria that Daimler AG suppliers must meet: adherence to internationally recognized human and employee rights, the prohibition of child labor and forced labor, observing and promoting ethical business conduct and adherence to legal standards and environmental rules, as well as preventive environmental protection. The sustainability rules are based on the Daimler "Supplier Sustainability Standards" and on our "Corporate Social Responsibility Principles" applying throughout the company. Moreover, they are based on the internationally accepted principles of the United Nations Global Compact (http://www.unglobalcompact.org) and the established minimum standards of the International Labor Organization of the UN (http://www.ilo.org).

The supplier hereby enters into obligation to comply with the following standards:

I. Working Conditions/Labor Standards

1. Wages and Benefits, Working Hours

Compensation and benefits are to be remunerated in accordance with the fundamental principles relating to minimum wages, overtime hours and statutory benefits. Working hours must be in conformity with all applicable laws, industry standards or relevant ILO conventions. Overtime should be voluntary and employees must be granted at least one day off following six (6) consecutive working days.

2. Child Labor Prevention

For its enterprise, the supplier warrants that no exploitative child labor within the meaning of ILO Convention no. 182 is or was involved in producing or processing the products to be delivered, as well as that these products do not violate any obligations resulting from the implementation of this Convention or of any other applicable, domestic or international regulations on combating exploitative child labor. Moreover, the supplier warrants that its enterprise, its suppliers and their subcontractors have proactively taken targeted measures conducive to ensuring that exploitative child labor in the sense of ILO Convention no. 182 is ruled out where the production or processing of their products is concerned. The supplier will place its sub-contractors and their sub-contractors under a corresponding obligation and will perform controls and checks in this regard. Daimler will review the content of this undertaking and the supplier will submit proof of the measures taken should Daimler so request.

3. Freely Chosen Employment

The supplier will not employ anyone against their will or force them to work. Employees must be free to leave employment with reasonable notice. Employees must not be required to hand over government-issued identification, passports or work permits as a condition of employment.

4. Freedom of Association, Right to collective bargaining

Workers must be able to communicate openly with management regarding working conditions without fear of reprisals of any type. Workers need to have the right to associate freely, join labor unions, seek representation and join works' councils.

5. Health and Safety

In its role as employer, the supplier ensures occupational health and safety in keeping with domestic standards and will promote continuous improvement of the workplace environment.

II. Business Ethics Standards

1. Anti-Corruption and Compliance

Within the framework of its commercial dealings with Daimler, the supplier is obligated to desist from all practices which may lead to penal liability due to fraud or embezzlement, insolvency crimes, crimes in violation of competition, guaranteeing advantages, acceptance of a benefit, bribery, acceptance of bribes or other corruption crimes on the part of persons employed by the supplier or other third parties. In the event of violation of the above, Daimler has the right to immediately withdraw from or terminate all legal transactions existing with the supplier and the right to cancel all negotiations. The above notwithstanding, the supplier is obligated to adhere to all laws and regulations applicable to both itself and the commercial relationship with Daimler.

2. Non-Discrimination

Harassment or discrimination against employees in any form is not acceptable. This applies without limitation for gender, race, caste, color, disability, union membership, political beliefs, origin, religion, age, pregnancy or sexual orientation.

3. Safety & Quality

All products and services will be delivered to meet the contractually specified quality and safety criteria, and will be safe to use for their intended purpose.

III. General Environmental Standards and Environmental Sustainability

1. General Environmental Responsibility, Environmental Performance of Production Activities and of Products

Daimler is committed to a system of integrated environmental protection, which addresses causes at the root, assesses the environmental impact of production processes and products in advance and integrates these into corporate decisions. In this context, production processes and products are designed using holistic principles to make them environmentally compatible and to use resources as sparingly as possible.

With regard to environmental protection, the supplier will act in accordance with precautionary principles, will take the initiative to ensure the promotion of greater environmental responsibility and will sponsor the development and dissemination of environmentally friendly technologies. In all stages of manufacturing, the supplier will ensure a high degree of environmental protection.

This includes proactively preventing or minimizing the impact of accidents which may adversely affect the environment. Particular emphasis is given to the application and continuing development of technologies serving to save water and energy that are characterized by strategies ensuring minimal emissions as well as reuse and recycling strategies.

All products manufactured within the supply chain must meet the environmental standards applicable to their respective market segment. This includes all materials and substances used in production. Chemicals and other materials posing a hazard if released into the environment are to be identified. A hazardous material management system is to be instituted for them that ensures appropriate processes for their safe handling, movement, storage, recycling or reuse and disposal.

All suppliers of production materials are obliged to implement a certified environmental management system according to ISO 14001, EMAS or comparable standards no later than two years after conclusion of the purchasing contract. This above mentioned certified environmental system has to be operated during the entire term of the business relationship with Daimler. Supplier is obliged to provide a corresponding certificate. In due time before the expiry of the duration of validity, a new certificate has to be provided to Daimler.

Also suppliers of non-production material have to fulfil the above mentioned obligations regarding an environmental management system at request of Daimler.

2. Establishment of Recycling and Disposal Concepts for the Products Supplied

In connection with the EU Directive on End-Of-Life Vehicles, the supplier is obligated to ensure the following:

- Preparation and transfer of a component-related concept for drainage and pollutant removal.
- Compliance with labeling standards for materials and components according to VDA 260 and MB Standard 33035.
- Provision of a recycling concept for selected, supplied parts in coordination with Daimler.
- Highest possible level of plastic component recycling and use of renewable raw materials subject to coordination with Daimler.

3. Confirmation of/Adherence to Substance Bans

Substances that are subject to legal restrictions or bans may only be contained in the materials or parts which are supplied when subject to these regulations (e.g. chemicals ban directive, German “End-Of-Life Vehicles Ordinance” (Altfahrzeug-Verordnung), REACH Regulation (EC) no. 1907/2006). Daimler requires its suppliers to be aware of the obligations from these regulations and to comply with them. The supplier must therefore ensure the following:

- The provision of correct and complete IMDS (International Material Data System) material data sheets (since 2003) is to be ensured free of charge for every new part and for the adjusted parts as well as for all substructure parts and / or contained operating materials characterized as spare parts in the spare parts area, and has to be implemented, in the course of initial sample inspections of new or modified products, at the latest two (2) months following a blank release (QG D). Any flawed material data sheets (MDS) will not be accepted and must be corrected at the latest three (3) months following blank release. For more information on the basic release principles, see IMDS FAQ - Daimler IMDS supplier information on reviewing material data sheets: www.mdsystem.com. A retroactive requirement may be issued for material data sheets not submitted thus far. Although as a general rule no sample inspection is performed for carry-over parts, standard parts and parts serving small parts optimization as used in a new model series, material data sheets will have to be submitted regarding these parts also, should this be subsequently required.
- Registration/Non-approval and notification of substances: The supplier ensure that substances, substances in preparations and substances in products requiring registration are only delivered to Daimler if they are registered in accordance with Article 5 and Article 6 or Article 7 (1) of Regulation 1907/2006/EC for use by Daimler. The supplier similarly ensures that for substances in products delivered that are subject to duty of notification in accordance with Article 7 (2), notification is performed by it or – if the product is not manufactured by it or was imported – an upstream supplier, or alternatively the substance is registered for its intended use (Article 7 (6)). If substances subject to registration or substances stated in Annex XIV of the Regulation 1907/2006/EC are not permitted at the time of delivery for their contractually intended use or the necessary notification in accordance with Article 7 (2) has not been issued, the supplier is required to contact its REACH partner at Daimler without delay: reach-kontakt@Daimler.com.
- **Regulation for substances, that are listed in Annex XIV of REACH-Regulation**
  In case of developing a new component, substances listed in Annex XIV of the regulation 1907/2006/EG (REACH) must be waived in general. If the use of such substances is unavoidable, these substances only may be used after prior approval by the responsible person for the components (Bauteilverantwortlicher, BTV) (where applicable in coordination with the special material department at Daimler) either in written or in text form. The supplier must provide evidence to the BTV that supplier or one of supplier's sub-suppliers have submitted an application for approval for the required usage no later than upon reaching the "latest application date" (18 months before "sunset date"). Otherwise supplier has to take further measures to ensure compliance with the requirements of the REACH-regulation. If there are alternatives under technical and economic constraints, substances included on the candidates list must also be waived preventively in case of developing a new component. If there is no alternative, it has to be aligned with Daimler. The current overviews of the substances included on the candidates list and of the Annex XIV can be accessed on ECHA's homepage:
  - http://echa.europa.eu/web/guest/candidate-list-table and
  - http://echa.europa.eu/reach/authorisation_under_reach/authorisation_list_en.asp.

If a component contains a substance listed in Annex XIV of the Regulation 1907/2006/EG, supplier has to inform the BTV/contact person of the supplier management immediately, so that measures for substitution or, if necessary, for other activities regarding the compliance with the REACH regulations (e.g. approval for the relevant substances) can be initiated. Suppliers of spare parts shall refer to the contact person of the after sales department on this matter.

- Substances of Very High Concern (SVHC) in components, spare parts, miscellaneous items, accessories and packaging: If parts delivered contain a share of substances of very high concern (SVHC) specified on the candidate list in accordance with Article 59 (1) of Regulation 1907/2006/EC amounting to more than 0.1% of their weight, the supplier is required to automatically provide all information in accordance with Article 33 (1) of Regulation 1907/2006/EC on delivery. This also applies if such substance is only added to the candidate lest during an ongoing supply relationship. The information must be provided in written form, preferably by IMDS.
- Confirmation and observance of the substance bans according to the EU End-Of-Life Vehicles Directive (e.g. chrome (VI) freedom) in accordance with the agreed changeover scenarios.
- Adherence to the list of banned materials according to DBL 8585.
- Recommendations for a further reduction of interior emissions.
- Allergenic and sensitising substances (H317 und H334) must be avoided.
- Minimization of interior emissions, especially compliance with the listed limits of DBL 5430.

4. Holistic Accounting for Continuous Improvement of Products and Production

Daimler carries out environmental audits on the basis of ISO 14040 et seq. in order to determine and improve its overall environmental profile.

On request, the supplier shall therefore provide Daimler with information on the relevant products, materials and processes. Daimler assures suppliers that this information is kept strictly confidential and will only be used for the purpose of holistic Life Cycle Assessment.

The supplier shall make every effort to obtain such information also from its sub-suppliers (raw material and semi-finished product manufacturers, energy suppliers, residue recyclers, etc.). In this regard, the confidentiality declaration shall apply correspondingly.

In order to guarantee a standardized, methodically validated flow of information, Daimler offers an introduction to the technique of holistic Life Cycle Assessment in order to carry out joint analyses as required.

The data must be provided in the specified documentation format (VDA data collection format for life cycle assessments). The period of time and data quality must be agreed between Daimler and the supplier.

The “Environmentally Friendly Product Development” (RD/FZU) department is available to answer any questions and to address any problems.

IV. Promotion of Standards in the Supply Chain

The supplier will forward the content of these sustainability standards to its suppliers, placing them under the corresponding obligations, and will monitor and check compliance with sustainability standards in the supply chain.