Mercedes-Benz Special Terms 2025

Mercedes-Benz

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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 MBAG, Stuttgart, or between one of its affiliated companies (§15 of the German Stock Corporation Act (AktG)), hereinafter referred to as “MBAG”, and its suppliers (hereinafter referred to as “Partner”). In addition to MBAGs “General Purchase Conditions 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. Business Areas

The MBST apply in principle for the business areas Mercedes-Benz Cars and Mercedes-Benz Vans and therefore for the entities active in these business areas, unless it is pointed out in individual regulations of the MBST that those only apply to certain business areas.

3. Publication

The relevant most recent version of the MBST is published centrally on the MBAG Supplier Portal under http://www.supplier.mercedes-benz.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 Partners will be informed accordingly by MBAG. Internal duplication is permitted and required for individual departments within the supplier companies.

4. Communication

Communication between MBAG and the Partner will take place in German or English unless otherwise agreed. The Partner is obliged to protect data/information and access to MBAG systems in accordance with the current best practice in technology standards.

5. 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.

Purchasing

MBST 31/12
Tools for Series Production Parts and Spare Parts Delivery

MBST 34/10
Supply of Spare Parts for MBAG Products

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

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 Partner 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 MBAG the rights formulated in this MBST. This particularly applies to the identification of the tools as the property of MBAG. Regardless of ownership, the Partner must treat all tools and other production equipment with the degree of care necessary to ensure appropriate supply of MBAG.

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

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

2. MBAG–owned Tools

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

MBAG will commission the Partner to manufacture the tools through a separate tool order. This is where, inter alia, payment conditions and the transfer of ownership are regulated.

[1] Forging tools are the exception.

2.1. Transfer of Tools

The Partner is authorized and obligated to use the tools within the scope of the supply contract concluded with MBAG concerning the part to be manufactured with the tools. MBAG provides the tools to the Partner free of charge.

The Partner is prohibited from any deviating use of MBAG-owned Tools, particularly from production of parts for supply of third parties or the transfer of usage to third parties (e. g. subcontractors) without MBAG's prior written consent.

In individual cases, the Partner must provide written proof upon request from MBAG that the components produced with the tools were exclusively manufactured for MBAG or for third parties explicitly designated by MBAG, e. g. by documenting the components produced with the tools and delivered to MBAG (exclusive use of the tools and exclusive production with the tools for MBAG or third parties explicitly designated by MBAG).

2.2. Servicing and Tool Maintenance

The Partner is responsible for ensuring the defect-free functional capability of the tools during their use in the contractual undertaking to supply MBAG. The Partner must ensure constant, defect-free functional readiness of the tools for the purpose of defect-free delivery to MBAG 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, in particular from wear and tear.[2]

2.3. Tool Changes

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

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

2.4. Identification and Stock Taking

The Partner must clearly and permanently identify those tools which are the property of MBAG as MBAG property. During the year-end stock-take, the Partner shall transfer the necessary information on the tools in its possession to MBAG. Any changes to the tool usage locations require early (at least six months before the change of the usage location), system-side documentation and application by the Partner, as well as prior written approval by MBAG.

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[2] If a yield volume has been agreed, this applies only to the agreed yield volume.

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

2.5. Liability

The Partner bears liability for all tool defects, damage, changes or deterioration[3] to or of the tools. The Partner is not held liable if these tool defects, damage, changes or deterioration are not the Partner's responsibility, but are, e. g., attributable to force majeure.

The Partner must ensure that no personal injury or property damage is caused by the tools and shall indemnify MBAG from and against such damage claims.

2.6. Duty of Return

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

MBAG is entitled to waive the return of the tools. In this case, the Partner must submit a request for scrapping. The scrapping of the tools is only permitted after MBAG has approved the request.

2.7. Information and Participation duties of the Partner

The Partner shall in particular have the following information and participation duties with regard to the tools owned by MBAG:

- Immediate and timely information (at least six months in advance) before a tool is planned to be moved to another location, as well as obtaining of the prior written consent of MBAG for this;
- Immediate and timely information (at least six months in advance) before a planned scrapping of a tool, as well as obtaining of the prior written consent of MBAG for this;
- Immediate and timely (the deadline to be met by the Partner will be communicated by MBAG in each individual case) provision of information and documents in the event of enquiries/audits by tax authorities in Germany and abroad (e. g. additional confirmation of location or use).

[3] If an output quantity has been agreed, liability for deterioration shall only apply to the agreed output quantity.

The Partner shall contractually oblige its subcontractors to comply with the aforementioned information and notification obligations.

If a subcontractor of the Partner breaches its information and notification obligations, the Partner shall, at the discretion of MBAG, either assign its claim for damages against the subcontractor to MBAG in the amount of the loss incurred by MBAG and asserted by MBAG against the Partner, or reimburse MBAG for the loss incurred by it with the option of subsequently asserting a corresponding claim for damages against its subcontractors.

If the Partner fails to fulfil its obligations under this Section 2.7 in whole or in part, the damages and expenses to be reimbursed by the Partner shall include, in particular, denied input tax deductions from the purchase of the tool, denied tax exemptions on the cross-border transfer of a tool, interest, contractual penalties, as well as public fines and penalties. The Partner shall not be liable to the extent that it and its subcontractors are not responsible for the damages and expenses.

3. Non-MBAG-owned Tools

If the Partner manufactures components for MBAG on tools that are not the property of MBAG, MBAG shall, in the event of an interruption in supply (including insolvency), receive a security interest in the tools necessary for the manufacture of the components or respective follow-on tools.

This only applies to tools that are used to manufacture MBAG-specific components. In this case, MBAG is also entitled to reimburse the Partner for the portion of the costs of the tools that have not yet been amortised. In this case, MBAG acquires full ownership of the tools upon reimbursement of the costs. The Partner undertakes to scrap tools that it uses or has used to manufacture parts for MBAG only with the prior written consent of MBAG.

4. Handling of Non-MBAG-owned jigs, fixtures and gages

In the event of an interruption in supply (including insolvency), MBAG receives a security interest in the jigs, fixtures and gauges necessary for the production of the components. This only applies to jigs, fixtures and gauges that are used to manufacture MBAG-specific components. In this case, MBAG is further entitled to reimburse the Partner for the portion of the costs of the jigs, fixtures and gauges that has not yet been amortised. In this case, MBAG acquires full ownership of the jigs, fixtures and gauges upon reimbursement of the costs.

Supply of Spare Parts for MBAG Products

1. General

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

3. Parallel Sales

If MBAG develops the product itself or MBAG has paid the Partner for development, or the product is manufactured on tools which are the property of Daimler, the Partner is obligated to supply spare parts only to Daimler. MBAG shall charge the Partner for damages amounting to 10 % of the MBAG 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 Partner is additionally obligated to notify MBAG 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. MBAG is entitled to have the notification checked by a certified accountant appointed by MBAG at Partner's cost.

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

In order to avoid damaging the image of MBAG brands, the parallel sale of parts by Partner is not permitted where the MBAG brand has visibly been rubbed out, scratched off or otherwise removed by an external influence. Furthermore, the covering of MBAG 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 MBAG. This shall apply in particular with regard to statutory claims based on the infringement of intellectual property rights.

4. Brands

The Partner is obligated to label the spare part in accordance with the labeling regulations. As a general rule, a MBAG 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 MBAG 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 MBAG's prior written approval.

5. Supply Period and Purchase Right

The Partner undertakes to supply MBAG 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 MBAG.

Parts-specific production equipment of the platform or part may only be scrapped after MBAG'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

a. 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.

b. The scope of the documentation (NX 3D drawings or successor systems, parts lists etc.) and the deadline for its completion will be agreed between MBAG (spare parts) and the Partner.

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[1] Or the norm applicable to labeling of parts with MBAG 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 MBAG

1. General Principles

MBAG distinguishes between plannable additional material costs (start-up costs) (see Section 2) and non-plannable additional material costs (see Section 3) at the Partner (“additional material costs” hereinafter also referred to as “MMK”).

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

2. Plannable additional material costs (start-up costs)

Between the point in time/milestone when parts are produced using series production tools or from another time agreed with MBAG and full capacity, higher costs may arise in the Partner’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 MMK = start-up Costs). They are remunerated to the Partner – taking into account the MBST 28 and the conditions according to the component requirement specifications for logistics (LOG KLH) – through the series price (part price for production material).

These plannable additional material costs at the Partner’s (start-up costs of the Partner) may include:

• Production Hardware (HW)	Set-up and idle capacity costs, assembly, manufacturing and testing expenses, rejects, supplements for smaller quantities, parts labeling – E-status and Q-status.
• Production Software (SW)	Change Orders or Change Requirements in the Factory
• Logistics HW	Transportation, storage and container costs (e.g. disposable packaging costs), repackaging, handling, minimum quantity costs, additional costs due to Tier-N lead times, special orders with a process deviating from that of the delivery call-up.
• Logistics SW	Release/version management and software provision on MO systems

• Samples HW	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 MBAG specialist department to the Partners approx. 12 weeks before the color meeting begins. The Partner must ensure on-time delivery of the components. The initial samples to be supplied by the Partner for the production process and product 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.
• Samples SW	Supplies for 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 MBAG specialist department to the Partners approx. 12 weeks before the color meeting begins. The Partner must ensure on-time delivery of the components. The initial samples to be supplied by the Partner for the production process and product 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] Software 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 additional material costs at the Partner (start-up costs of the Partner) listed above are covered by the series price.

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

Plannable additional material costs up to product gates “start of production” (SOP) are only paid to the Partner if this is approved by MBAG.

[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 Partner as the calculation basis.

Hardware: The Partner will ensure that, deliveries as of the point in time/milestone when parts are produced using series production tools (see “extract of the process masterplan for suppliers”) or from another time agreed with MBAG are manufactured with the series tool and sample inspection with the result part green/process yellow according to the production process- and product approval planning is completed (design stage in accordance with MDS).

Software: The Partner will ensure that the deliveries with the customer-ready software are made at the point of time agreed with MBAG and that the sample inspection with the result part green/process yellow according to the production process- and product approval planning is completed (design stage in accordance with MDS).

3. Non-plannable additional material costs (start-up costs)

If further changes arising from design changes or from significant changes to MBAG’s non-binding requirement estimates are necessary for deliveries as of the point in time/milestone when parts are produced using series production tools or from another time agreed with MBAG and if the Partner is not responsible for this, these additional material costs, which are not plannable when the tender is submitted, may be separately remunerated by MBAG within an appropriate framework. The prerequisite for reimbursement is that the item is purchased by the target plant.

In the event of MMK claims, the Partner must report these to the responsible MMK contact person at the target plant immediately after they become known, using the fully completed MMK form.

Non-plannable MMKs at the Partner’s end can, among other things, be caused by:
- Additional staff costs incurred by Partners,
- Reworking,
- Special carriage costs (hardware only)
- Scrapping costs (hardware only)
- Demolition costs (hardware only)

Non-plannable MMKs at the Partner’s end are only paid to the Partner up to full capacity subject to approval by MBAG, but only up to a maximum of nine (9) months after start of production (SOP).

4. Series Production Price

The series price becomes valid for Partner’s deliveries latest as of the point in time/milestone when parts are produced using series production tools or another time agreed with MBAG. 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. for hardware: set-up, measurement, packaging, shipping, handling; for software: e.g. flashing, license costs) are covered up to and including delivery to the places of delivery defined by MBAG. Any incurring plannable MMKs at the Partner’s end must be considered in the series price, considering the MBST 28 and the conditions according to the component requirement specifications for logistics (LOG KLH).

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

5. Allocation of OTP (One Time Programmable)/Flash Parts – applies only to intangible items (software)

5.1. as series solution: calculated into series production price

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

5.2. as an intermediate solution used OTP/Flash-parts: plannable start-up costs

If within the assignment an OTP/Flash-solution as an intermediate solution is agreed, the Partner must report the price variance until the point in time when parts are produced using series production tools as plannable start-up costs.

5.3. as an intermediate solution used OTP/Flash-parts: non-plannable start-up costs

If within the assignment an OTP/Flash-solution as an intermediate solution is agreed, the Partner must report the price variance until the point in time when parts are produced using series production tools until the provision of parts for PPR1 or PT1 as non-plannable start-up costs, that means as additional material costs (MMK).

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

Quality

MBST 13/20
Production Process and Product Approval (PPA)

MBST 14/08
Quality Assurance. Implementation of a Quality Management System

MBST 18/07
Handling of Defective Deliveries Following Dispatch from the Production Plant

MBST 27/10
Failure mode and effects analysis (FMEA)

Production Process and Product Approval (PPA)

1. Introduction

The Partner 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, another procedure can be agreed upon for the PPA Process with the corresponding MBAG contact person.

2. Scope of Application

In addition to the scope specified in VDA Volume 2, the PPA Process shall also be carried out for standard parts unless otherwise agreed.

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.

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

3. Basics of the PPA

3.1. Series Production Approvals of other MBAG Locations

If the Partner has already received a series production approval from a MBAG 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 MBAG locations. The Partner shall submit the sampling subject to the planning applicable to the new MBAG location together with the existing series production approval to the new MBAG location in order to receive series production approval for the specific plant.

In case of application of the global release proceedings, the release issued by MBAG applies to every MBAG plant, with which the Partner holds a delivery contract. MBAG plant-specific release is not applicable.

3.2. Identification of Parts

Starting with the initial sampling as part of the PPA Process, the samples 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 at least until the completion of the final MBAG production test/try out.

Parts that have not been sampled shall be identified specifying the state of development (Exx) according to the development part life record.

Parts for advanced tests (split sampling), which have not yet been produced completely under series conditions, shall be submitted as “Other samples” in consultation with the respective MBAG contact person for the PPA Process. No series production approval shall be issued for “Other samples”. Unless otherwise agreed, a red sticker specifying the state of development (Exx) shall be used for this.

Separate labeling of parts for sampling and parts for production tests can be demanded by the respective MBAG contact person for the PPA Process.

4. Obligation of Disclosure and Triggers for the PPA Process

All modifications in the production process and product must be notified by the Partner to the respective MBAG contact person for the PPA Process. Unless otherwise agreed, the Partner must proceed according to the following table.

Trigger	**MBAG specialist department for the PPA Process**	**MBAG operative procurement**	**MBAG logistics**
New parts	D		
Product modification* (approved by Development)	D	A	
Production relocation	D	A	A
Production process modification**	D		A
Test process modification	A		
Production stoppage for more than 12 months	D		
Use of new, modified or replacement tools (not applicable to metal cutting tools)	D	A	
Change in 2nd-tier suppliers (MBAG 2nd-tier). In the case of parts with special characteristics (e.g. DS, DZ, ASIL etc.) the above obligation exists up to the supplier responsible for the characteristic	D	A	
Change in 2nd-tier supplier locations (MBAG 2nd-tier) for deliveries with DS/DZ features	D	A	
Change in 2nd-tier supplier locations (MBAG 2nd-tier)	A	A	
Modifications in the Partner’s purchased parts/primary material/stock	D		
Formal changes of the contract location/production site (e.g. change of name, address)	D	A	A
No unconditional series production approval	D		
Failed requalification	D		

* Includes modifications of material, modifications of part labelling, modifications of specifications, increases in ZGS as well
** Also includes modifications to the logistical value chain
D = Execution of the PPA Process by the Partner
A = Obligation of disclosure in written form by the Partner to the MBAG specialist department. Implementation and scope of the PPA Process is decided by the MBAG specialist department.

Within the scope of sampling of new and of modified parts, the Partner is obliged to configure the material data sheets in IMDS. The ID-number for the IMDS data record shall be specified in the initial sample cover sheet and the corresponding “Materials data sheet/IMDS” annex. The regulations of the MBST 36, especially regarding the confirmation of/adherence to prohibitions on substances, have to be observed by the Partner.

5. Execution of the PPA Process

If a PPA Process trigger caused by the Partner arises, the Partner 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 MBAG department responsible for series production approval. Relocation shall not be permitted in the start-up phase. Notification of relocation shall be issued six months in advance and shall require approval from MBAG.

MBAG shall specify a sampling date to the Partner. The number of sample parts must be agreed upon with the respective MBAG contact person for the PPA Process and the sample parts must be delivered free of charge.

The following themes are defined as part of the sampling planning before the PPA Process:

- The documents specific for the sampling scope taking into account table 1,
- Possible part bundles and
- the required number of samples.

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 Partner shall coordinate the method and format of the sampling document transfer with the respective MBAG contact person for the PPA Process.

In the event of deviations, the Partner must obtain written approval (deviation approval) from the responsible MBAG contact person for the PPA Process in advance and submit this for sampling. The corrected status must be presented within the scope of subsequent sampling.

Product and process characteristics for which capability studies shall be performed shall be coordinated with MBAG. Until process capability has been verified, the characteristics shall be tested 100 % by the Partner.

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

- Process performance index/machine performance index Ppk/Pmk ≥ 2.0
- Stable processes-process capability Cpk ≥ 1.67

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

6. Verifications for the PPA Process

As part of the sampling planning, the required verifications are agreed upon as per table 1, unless otherwise agreed in writing between the department responsible for the series production approval and the Partner. The verifications denoted with "V" in table 1 shall be submitted generally, the ones denoted with "A" must be agreed upon individually.

The respective current templates must be used (see Mercedes-Benz Supplier Portal at https://supplier.mercedes-benz.com).

Table 1: PPA documented evidence

No.	Verifications if applicable for process and product	Sampling planning
1	Cover sheet for the PPA report*	V
2	Self-assessment of product, process	V

No.	Verifications for the production process and product engineering	Sampling planning
3	Technical Specifications	A
4	Approved design modifications	A
5	Design and development approvals	A
6	The ID no. of the accepted IMDS material data sheet on the current design engineering status shall be specified in the PPA report	V
7	Design FMEA	A
8	Process flow chart	A
9	Process FMEA	A
10	Production control plan (PCP)	A
11	Geometry, dimension	A
12	Material	A
13	Function/validation reports	A
14	Haptics	A
15	Acoustics	A
16	Odor	A
17	Appearance	A
18	Surface requirement	A
19	Technical cleanliness	A
20	Reliability	A
21	Resistance to Electrostatic Discharge (ESD)	A
22	Electrical safety/high voltage safety	A

* Submission of the document in case of samplings, which do not take place via an IT system (i.e. documentation only in paper form).
** No submission of the associated document by the Partner if the relevant documentation is covered by the MBAG-internal IT system.
V = Submission to MBAG
A = All the submission points going beyond the minimum scope must be agreed upon during the sampling planning between the Partner and MBAG.

No.	**Verifications for the production process and product engineering**	**Sampling planning**
23	Electromagnetic compatibility (EMC)	A
24	Protection of special features as per technical specifications and agreed features (e.g. Poka Yoke, 100 % testing, process capabilities…)	A
25	Laboratory qualification	A
26	Number of samples and reference samples	A
27	Achievement of serial cycle time	A
28	Tools list (with unit nos./number of nests and statement on tool quality)	A
29	Compliance with legal requirements	V
30	Overview of the Partner's supplier and in-house parts with part and process release status	A
31	Inspection and Test Equipment List	A
32	Verification of test equipment capability	A
33	Parts history**	V
34	Suitability of the used charge carriers incl. their storage	A
35	Requalification agreement	A

* Submission of the document in case of samplings, which do not take place via an IT system (i.e. documentation only in paper form).
** No submission of the associated document by the Partner if the relevant documentation is covered by the MBAG-internal IT system.
V = Submission to MBAG
A = All the submission points going beyond the minimum scope must be agreed upon during the sampling planning between the Partner and MBAG.

The Partner shall regularly provide MBAG with the procurement structure of its suppliers in the form of a complete bill of all materials contained in the part. The detailed information to be provided as well as the dates are specified by the respective MBAG IT system

If responsibility for sampling and approval of parts purchased by the Partner lies with MBAG (directed parts), the Partner shall list these separately along with the following information in the overview of the purchased parts releases:

- Part number
- Supplier with the MBAG supplier number
- ZGS
- Q/A status
- Approval status
- MBAG plant and number of the release test report

7. Storage Periods

The storage periods shall be based on VDA Volume 1.

8. Approval Status

The Partner shall be informed of series production approval in the form of a test report.

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 MBAG together with the Partners 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.

10. Non-Compliance with agreements regarding PPA procedures

If the Partner does not carry out the agreed sampling per part status as agreed and this leads to additional expenses for MBAG, the Partner shall bear all additional costs incurred by MBAG which – irrespective of the result – are directly related to the sampling process; this does not apply if the Partner is not responsible for the additional expenses.

Quality Assurance. Implementation of a Quality Management System

1. Selection and Application of the QM System

In order to ensure flawless and constant product quality, the Partner shall establish a quality management, henceforth referred to as “QM”. The QM system must be set up in accordance with the currently valid version of IATF 16949 (including any successor regulations of IATF 16949). Verification must be supplied in the form of certification via an IATF (International Automotive Task Force) recognized certification body. It is necessary to comply with the regulations of IATF 16949 in case of an absence of a certification according to IATF 16949 and the application of these regulations requires a separate approval by MBAG.

The Partner will set up its QM system in such a way that its suppliers and their sub-suppliers will also be required to comply with the requirements of this MBST.

2. Legal and regulatory requirements for certifications

The Partner 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 certifications 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.

The Partner must ensure independently and on his own responsibility, that the related documents (certificates, type approvals etc.) are up to date and valid. The Partner must transfer those documents to MBAG on time, without the need of a request by MBAG.

The Partner 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 Partner must immediately notify MBAG of said change.

3. Auditing

MBAG is entitled to audit and evaluate the Partner's QM system and quality assurance measures or to have these audited and evaluated by a third party commissioned by MBAG. This can take place as part of a review (e.g. Process audits according to VDA 6.3) after prior notification. As part of its deliveries, the Partner must also enable the auditing of its suppliers and their sub-suppliers by MBAG or a third party commissioned by MBAG. The Partner consents to assist MBAG in identifying weaknesses in the sub-supplier structure. Optimization of the weaknesses which are ascertained is the responsibility of the Partner. MBAG can stipulate quality assurance measures.

4. Performance tests

The Partner must carry out performance tests to ensure that the delivery conforms to the contract. The dates must be agreed with the relevant MBAG contact person in good time so that participation by MBAG is possible.

No later than 8 weeks before the start of series production (Start of Production, SOP), proof of a passed performance test lasting 4 to 8 hours (specific duration to be agreed in advance with the MBAG contact person) must be provided in accordance with the contractually agreed ramp-up capacities.

Further safeguards along the industrialization ramp-up must be carried out by the Partner unsolicited and can be requested by the respective MBAG contact person. Final proof of delivery capability must be provided no later than 8 weeks before the maximum capacity is reached by means of production of at least two full MBAG demand days.

In consultation with MBAG, proof of performance tests may already be required for selected scopes in the preventive series preparation phase.

For IPS scopes deviating agreements can be made with the respective MBAG contact person.

The Partner must ensure the delivery capability in its sub-supplier structure by means of performance tests; at MBAG's request, the Partner will inform MBAG about the performance tests and involve MBAG in the content.

5. Quality Planning and Assurance

The Partner actively supports the preventive series preparation through quality methods specified by MBAG, e.g. VDA Standard “Maturity level assurance for New Parts” (VDA-RGA), industrialization plan, etc., and shall provide the necessary resources for this. Depending on the risk assessment, the Partner must use the same or comparable methods for its sub-supplier structure, if necessary, with the participation of MBAG.

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

The Partner informs MBAG immediately as soon as violations of the zero-defect obligation are foreseeable.

The Partner is responsible for determining and properly defining the special features (e. g. relevant to safety, certification, function and process) in accordance with the specifications, requirement specifications or other MBAG 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 Partner must 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 Partner 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 MBAG can demand that the Partner apply other suitable methods of providing evidence for process security specific to components in series production.

If the Partner is (jointly) responsible for the development of the supplied products and/or services supplied, the Partner 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 Partner is additionally obligated to use MBAG designations in its technical documents, drawings and other documentation, which are made available to MBAG. This designation must be continued in an adequate manner in all further documentation. The Partner is obliged to implement the measures to be derived from the designation in current production and to store the related verification.

The Partner must comply with the VDI Guideline 2862 for the safety-relevant fastening systems.

MBAG specifications for the designation are:

DS:	Documentation of relevance to safety	Components or systems whose malfunction or failure may lead to a direct risk to the life and limb of other road traffic users are safety-relevant.
DZ:	Documentation of relevance to certification	Components or systems whose data, verifications, construction permits 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 Partner, at the request of MBAG, shall identify the components with a unique serial number, the structure of which will be defined by MBAG.

The Partner is obliged to check annually whether its deliveries fulfill all requirements for the product and production process in accordance with MBAG's specifications (requalification). The Partner evaluates, documents and archives the results. These must be made available to MBAG on request. Any deviation from this paragraph must be agreed in writing between the Partner and MBAG.

Cooperation/escalation model

The model is used in response to serious, repeated or long-standing quality and logistics problems of the Partner.

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

Depending on the respective classification by MBAG, additional measures are stipulated by MBAG. If MBAG supports the Partner by means of the above measures, the Partner reimburses MBAG for the costs that accrue to MBAG as a result of said support.

6. Inspections by MBAG

Under consideration of the inspections carried out at the Partner's premises in accordance with this MBST, the inspection carried out at MBAG 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 MBAG.

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

MBAG has the right to inspect all development documents and documentation which accompanies production, relating to MBAG.

7. Usage of the systems via Mercedes-Benz Supplier Portal

The Partner undertakes to use the systems provided or requested via the MBAG Supplier Portal (https://supplier.mercedes-benz.com) on a regular basis and to keep them up to date.

Handling of Defective Deliveries Following Dispatch from the Production Plant

1.1. Scope

These regulations apply to the handling of warranty claims by MBAG vis-á-vis the Partner owing to the provision and/or delivery of defective parts (with or without software contained therein, hereinafter referred to as “parts”) or software (including corrections, updates, patches, upgrades, other changes and new versions of the software, including any adapted and updated documentation; in total “software”), to the extent that the defect becomes apparent after the vehicles leave the respective production plant and/or the (spare) part or the software has been sold or transferred to the customer.

In line with the terminology also used in VDA documents, the term “defect” is not limited to its meaning under the Product Liability Act.

The subject of the regulations is also the technical analysis of parts and/or software that are actually or potentially not free of defects (“damaged parts” and/or “damaged software”) in the field, in particular for the following purposes:

- rectification of defects and the associated commercial processing,
- continuous and sustainable quality improvement and
- damage prevention and minimisation.

Sustainable quality improvement and damage prevention and minimisation require a quick, well-founded analysis by the Partner that is appropriate to the severity of the (potential) defect: the faster the defect is detected and the cause of the defect is understood and remedied, the lower the consequential costs..

1.2. Relation to the Purchasing Terms and Contracts of MBAG, Definitions

The purchasing terms and contracts for the development and/or delivery of (i) parts and/or (ii) software (e.g. General Purchase Conditions Production Material and Spare Parts for Motor Vehicles) agreed between MBAG and the Partner shall in principle remain unaffected. Unless otherwise provided, the terms defined in the purchasing terms and contracts (e.g. “MBAG”, “Parties”) have the same meaning in these MBST 18.

2. Notification of defects for Field Recourse

The notification of defects in field recourse is made by MBAG, the authorised service workshops commissioned by MBAG or by third-party workshops and can be viewed by the Partner in MBAG's IT systems for the processing of material defects (e. g. SRS/AVR). As a rule, the Partner receives a notification via the IT systems for the processing of material defects once a week. The subsequent analysis of parts ("damaged part analysis") and/or software ("software analysis") (damaged part analysis and software analysis hereinafter jointly referred to as "failure analysis") by the Partner serves, among other things, to evaluate whether a defect is present.

3. Handling of Procedures for Field Recourse

The settlement regulations for field recourse apply to defective deliveries if these have not led to a recall (Section 4.1), damage to other components and/or software (Section 4.2) or serial damage (Section 4.3).

3.1. Parts Families in the process of exchanging parts

3.1.1 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.

3.1.2 Forming a Parts Family

As a rule, parts families are formed specific to divisions by arrangement between MBAG and the Partner. 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 MBAG and the Partner or existing parts families are augmented. If the Partner does not submit a proposal for the formation of a new parts family within a reasonable period of time after being requested to do so by MBAG, MBAG shall be entitled to form a new parts family or to assign the damaged parts with new material or spare part numbers to an existing parts family; the new or supplemented parts family shall apply until otherwise jointly agreed.

In particular, the following parts are pooled in a parts family:

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

3.2. Return of Parts in the process of exchanging defective parts

3.2.1 Random Sample for the Analysis of Damaged Parts

To reduce the costs to be covered by the Partner for returning the parts, the analysis and the associated cost allocation to the Partner are performed using a random sample of removed and replaced damaged parts for which defects have arisen within the applicable period of limitation for warranty claims (referred to herein below as a “Warranty Random Sample”). These damaged parts are made available to the Partner by the MBAG inspection stations for purposes of analysis; they are recognizable to Partners in the IT inspection systems (e. g. QEC-Tool) as “warranty goods” and serve as the basis for establishing the acceptance rate (“AR”).

The Partner is in particular also obliged, after receipt of the notification of defects, to check and immediately notify MBAG whether the corresponding spare parts that the Partner has already delivered or will still deliver to MBAG are also affected.

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 herein below as the “Reference Market”) within a settlement period.

If a part is in the ramp-up phase (usually up to one year after market launch), MBAG can provide the Partner with damaged parts from all accessible countries for analysis, in order to ensure faster and more comprehensive fault elimination.

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

Should the scope of the random sampling 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 AR determined in this way, unless this shortfall had been coordinated with the Partner.

If the return of damaged parts for a parts family in an occurence period has been omitted by mutual agreement, a flat-rate AR of 10 % will be agreed for simplified commercial processing.

At the instruction of MBAG or on request by the Partner, 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 Partner for analysis. The Partner remains obliged to analyze these parts, e. g. in order to detect new damage patterns or potential long-term defects. These damaged parts are identified for the Partner in the IT inspection systems (e. g. QEC tool/eSEP++) as “goods subject to inspection”/“Prüfware”. In agreed individual cases, goods subject to inspection are treated as warranty goods.

3.2.2 Analysis and/or logistics locations of the Partner
To speed up the failure analysis and rectification process, the Partner will operate at least one analysis site in Europe.

For the US and Chinese markets, the Partner shall provide its own means of analyzing damaged parts or collecting parts from the MBAG inspection sites if an analysis in Europe cannot be carried out or cannot be carried out promptly because the part to be analyzed has to remain in the US or China due to transport restrictions (e. g., in the case of hazardous goods, import/export or air freight transport restrictions). The Partner shall not unreasonably refuse to coordinate and enter into a corresponding agreement with MBAG for the US and Chinese markets, even in the case of parts without such transport restrictions.

3.2.3 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, MBAG may also include damaged parts from other countries in the Warranty Random Sample. Such an expansion of the Reference Market can include, for example, the following countries in addition to Germany:

- Europe (including Belgium, Denmark, Great Britain, France, Greece, Italy, Luxemburg, the Netherlands, Austria, Poland, Portugal, Sweden, Switzerland, Spain, Czech Republic), United States (USA) and/or People's Republic of China (China).

MBAG shall notify the Partner in advance of the intended expansion of the Reference Market in each specific case. Section 3.2.6 applies. If the Partner does not object, the AR shall be agreed on this basis.

3.2.4 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 analysis, it is to be assumed that this random sample is representative. MBAG may filter out the warranty parts for the corresponding settlement period. MBAG shall notify the Partner about this. Section 3.2.6 applies. If the Partner does not object, the AR will be agreed on this basis.

3.2.5 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 will deliver further insights, it is possible to mutually agree an AR early with the Partner for certain parts from a parts family originating in specific production periods (e. g. by a "Gala"-Agreement). From the time of notification by MBAG to coordinate an AR, no further parts from this parts family will be sent from the production period concerned. If the Partner objects according to Section 3.2.6 (2), the shipping of parts will be resumed until an agreement is reached on how to proceed.

3.2.6 Objection option of the Partner
If the Partner does not object to a course of action notified by MBAG in accordance with sections 3.2.3, 3.2.4 or 3.2.5, or does not object with objective justification within 14 days of receipt of the notification, the course of action is deemed to have been confirmed by the Partner; MBAG will inform the Partner of this consequence in the notification. If the Partner objects in writing with objective justification within 14 days of receipt of the notification, MBAG and the Partner will agree on a mutually acceptable course of action.

3.3. Performance of Failure Analysis and Determination of AR

To failure analysis – to software limited to the applicable content – the guideline by the Verband der Automobilindustrie e.V. (VDA) “Shared quality management in the delivery chain – Marketing and customer care – Damaged part analysis field” and the respective “MBN 10448 Damaged part analysis field” applies; the latter can be accessed via the Mercedes-Benz Supplier Portal.

The Partner shall ensure that the aforementioned or contentwise similar requirements are also observed in its supply chain; if this is not possible in individual cases, the Partner shall inform MBAG and the Parties shall agree on how to proceed.

3.3.1 Requirement of extended analyses and analyses on vehicles

Should it become apparent during the failure analysis that extended analyses are required for the targeted elimination of the defect, the Partner will carry these out. At the request of MBAG, the Partner will carry out on-site analyses – such as measurements on affected vehicles – with its own experts or experts commissioned by it.

As far as extended analyses by MBAG are required, the Partner will cooperate in this at the request of MBAG and enable participation in extended on-site appointments within a reasonable period of time (e. g. within 24 hours on the home continent of the named experts).

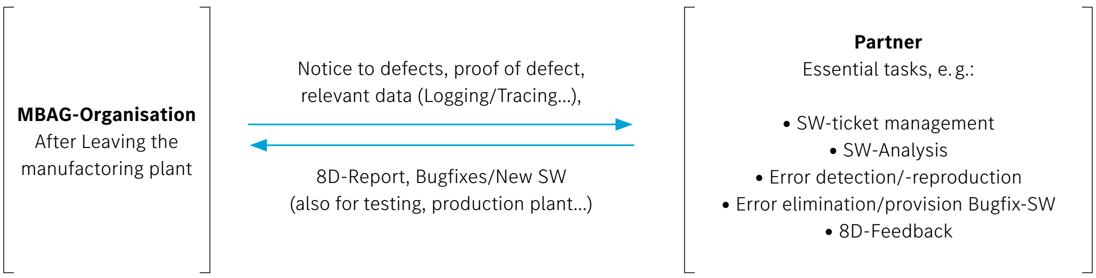
3.3.2 Data analysis instead of parts analysis

If MBAG and the Partner agree that a physical analysis of parts can be replaced by an equivalent analysis of associated, mutually agreed complaint data, the provisions on the return of parts in Section 3.2 shall not apply to the affected scopes.

3.3.3 Additional regulations for analysing defective software (including defective software contained in parts)

After notification of the defect, MBAG will provide the Partner with information relating to the software, in particular the error description. In addition, the following procedures apply to software defects:

Failure elimination for software errors (defects)



3.3.4 Deadlines in Analysis of damaged parts and software

With regard to the deadlines, a distinction must be made between the analysis of damaged parts (Section 3.3.4.1) and the analysis of software (Section 3.3.4.2)

If shorter deadlines have been agreed on a project-specific basis, these shall take precedence. Within the respective deadline regulations, a distinction is made between regular processes and regular parts on the one hand and “priority processes” or “priority parts” on the other: Priority processes and priority parts are labelled as such and are assigned, for example, to defects within a ramp-up (vehicle, unit, system), from breakdowns or with safety-relevant effects. All others are regular processes and parts.

3.3.4.1 Deadlines for analysing damaged parts

In the analysis of damaged parts by Partner, the Partner shall confirm receipt of parts using the IT systems provided by MBAG for processing the analysis (e.g. QEC-Tool) no later than five (5) calendar days after receipt of parts with the actual date of receipt of the goods and shall send MBAG a status response with its initial test findings (e.g. standard test in accordance with VDA volume “Field analysis of damaged parts”) and any measures that can be implemented immediately, and shall do so within fourteen (14) calendar days of receiving the parts.

The Partner shall notify MBAG of its conclusive findings (see VDA volume “Damaged part analysis field” Section 2.2 “Test status and test strategy in damaged part analysis”) 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 aforementioned deadlines for status feedback are (7) calendar days and for its conclusive findings 14 calendar days.

Parts rejected by the Partner shall remain the property of MBAG. Should these parts have been marked in the IT inspection system (e.g. QEC Tool) as “relevant for parts return”/“rücklieferrelevant”, the Partner must return them to MBAG within fourteen (14) calendar days (with the date of receipt by MBAG 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 MBAG). Where rejected parts are not marked as “relevant for parts return”, the parts are to be held by the Partner in a quarantine store for ten (10) weeks after conclusive findings have been notified and are to be made available to MBAG at the latter’s request. Following expiry of this period, the Partner is to scrap the parts. Should the Partner fail to comply with these obligations to return and store the parts, the corresponding parts shall be deemed accepted; MBAG shall notify the Partner of this consequence in the system.

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

3.3.4.2 Deadlines for software analysis

Since no physical shipping times need to be taken into account for the analysis of software and a possible defect can always occur in all vehicles equipped with the affected software, the following procedures and deadlines apply to these analyses – in contrast to the analysis of damaged parts:

In the case of software analysis by the Partner, the Partner must confirm the notification of the defect by MBAG for the processing of the findings. Unless otherwise agreed, the Partner must provide MBAG with status feedback within seven (7) calendar days of receipt of the notification, including initial test results and, where possible, immediate measures that can be implemented.

The Partner shall provide MBAG with a final result of the findings no later than fourteen (14) calendar days after notification of the defect to the partner (see MBN 10448 Chapter 5.5 accordingly). The findings must contain statements on the causes of failure and feasible measures for final defect rectification in the form of a VDA-compliant 8D report.

In the case of "priority processes", the Partner must provide MBAG with feedback three (3) calendar days after receipt of the notification by the Partner with initial test results and, if possible, immediate measures that can be implemented. If the Partner indicates that the deadline falls on a weekend preceded or followed by a public holiday at the Partner's analysis location, the deadline will be extended accordingly. In addition, a shortened deadline of seven (7) calendar days applies for the notification of the final results of the analysis.

3.3.4.3 Deadline extensions and missed deadlines

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

In case the Partner wants to extend deadlines, it shall ask the responsible inspection station at MBAG in text form (by feedback in the inspection system, if necessary accompanied by e-mail) and shall document the current status of the analysis result and the reasons for the requested deadline extension and the target date in the IT inspection system of MBAG.

If the Partner fails to meet one of these deadlines, the relevant processes are deemed to have been accepted; MBAG will inform the Partner of this consequence as part of the complaint processing at the start of the deadline.

3.3.5 No Trouble Found (NTF) process

If no failure or no cause of failure or any damage caused by force could be identified after the failure analysis, MBAG and the Partner agree to carry out an NTF process in accordance with VDA volume "Field Failure Analysis" and MBN 10448.

The NTF process is used to determine the cause of a problem whose cause could not be identified during the failure analysis.

If an NTF process is carried out, the result of the NTF process is taken into account accordingly in the AR, thus, an identified defect is included in the AR as accepted at the expense of the Partner; if there is no defect caused by the partner, the affected parts and/or software are not included in the AR at the expense of the Partner.

If the Partner fails to carry out an NTF process despite reaching the agreed trigger criteria without an objectively justifiable reason, the damaged parts for which no defect could be identified after the analysis was carried out are taken into account with a factor of 0.5 when calculating the AR in the sense of joint responsibility for product quality. If the Partner is not responsible for the omission of the NTF process, the processes will not be taken into account at the Partner's expense.

MBAG remains authorised to provide evidence of a higher AR, the partner remains authorised to provide evidence of a lower AR.

3.3.6 Calculating Acceptance Rates (AR)
MBAG and the Partner calculate the AR on the basis of the results of the failure analysis. All AR relate in the case of the

- exchange of damaged parts usually to to a specific parts family,
- exchange of software to a specific software (this also applies if only the software contained in parts is exchanged without an exchange of the parts),

and a defined occurrence period.

The AR identified shall be applied to global damage claims.

The AR is calculated in the event of
- damaged parts as the number of damaged parts accepted by the Partner out of all damaged parts submitted as "warranty goods" and/or from the results of the data analysis belonging to these cases,
- defective software caused by the Partner, as evidenced by the software analysis.

The MBAG inspection station reserves the right to audit the failure analysis process with the Partner at any time after providing suitable notice (VDA-compliant process, in particular in accordance with the VDA standard "Damaged part analysis field – Audit standard." and MBN 10448).

A score of less than 90 % according to the VDA "Damaged part analysis field – Audit standard" and/or a score of less than 80 % based on the NTF process indicates that the Partner's failure analysis is unviable or only partially viable. This means that the actual AR must be greater than shown by the Partner's results. To establish a realistic AR, MBAG can negotiate an audit surcharge (AZ) on the AR with the Partner based on its score.

The same applies to a surcharge if the Partner has failed to prepare and coordinate an inspection concept in accordance with the VDA volume "Schadteilanalyse Feld" (Field Failure Analysis) for the period until such an inspection concept has been created, coordinated with MBAG and implemented by the Partner. This does not apply if the Partner is not responsible for the failure.

Calculation for the “Damaged Parts” use case:

$$\mathbf{AQ[\%]} = \frac{\begin{array}{c}\textbf{[(Total of regularly accepted damaged parts) +}\\ \textbf{(Total of damaged parts accepted as a result of exceeding the deadline) +}\\ \textbf{(0,5 x Sum of parts without identified defect according to section 3.3.5)]}\end{array}}{\textbf{Number of damaged parts found}} \mathbf{\ x\ 100 + AZ[\%]}$$

Calculation for the “Software” use case:

AQ[%] = (Partner’s share of responsibility for the software defect + deadline exceeded) [%] + AZ[%]

The following applies for both applications: AR [%] is a maximum of 100 %

3.3.7 Product and Process Changes and Production Relocations

3.3.7.1
In the event of product changes, process changes, or production relocations not advised by the Partner in line with MBST 13 or not confirmed by MBAG, the AR shall be 100 %, unless the Partner proves that there is no causal connection with the defect, that it is not responsible for the lack of notification of the change/relocation or the implementation of the change/relocation despite the lack of confirmation by MBAG, or that the AR is to be set lower for other reasons.

3.3.7.2
In the case of assemblies, multi-part delivery scopes and/or software, AR includes the parts and/or software procured by the Partner from Sub-contractors or Sub-suppliers under the conditions specified in the aforementioned section (including the proof of discharge available to the Partner).

3.3.8 Cost Settlement as Part of Failure Analysis

The costs incurred in connection with the failure analysis are borne by the Partner and MBAG each respectively. Transportation and logistics costs incurred are paid by the respective recipient. If the Partner demands additional returns of parts other than the Warranty Random Sample, the Partner shall bear the transportation and logistics costs incurred.

3.4. Processing of Warranty Claims in Field Recourse

3.4.1 Calculation of costs per claim

MBAG may incur the following warranty costs (gross) to be reimbursed by the Partner per claim (repair, correction or replacement of the defective or faulty part installed in the affected vehicle and/or the defective software provided) under the following conditions:

- in the case of part replacement, the purchase price, i.e. the purchase price agreed between the Parties for the spare part in the year of occurrence (the year in which the damage occurs); in the case of part repair in the service workshop, the expenses required for the purpose of rectifying the damage

- in the case of part replacement, the so-called “handling costs”, i.e. the transport costs for the spare part to the place of part replacement, as well as the costs for storage, removal and disposal of the removed part, as a rule claimed together as a flat-rate fee of 50% of the agreed purchase price for the spare part in the year of occurence; MBAG is entitled to prove that significantly higher costs than the lump sum were incurred; in this case, MBAG is entitled to charge the higher costs actually incurred; the Partner is entitled to prove that no costs or significantly lower costs were incurred;

- the necessary diagnostic and analysis costs of the service workshop;

- the so-called “removal and installation costs”, i.e. the necessary expenses for the removal of the defective part and the installation or fitting of the repaired or delivered defect-free part.

- related to software (“software costs”): Costs for necessary expenses such as corrections, patches, updates, upgrades, other changes and new versions of the software, over-the-air updates, all handling and labour costs for cases that occur in the field, in particular preparation and adjustment work, installation and removal if necessary, installation of the software/flashing, diagnostic and analysis costs;

The Partner must also bear the further expenses necessary for the purpose of subsequent fulfilment.

MBAG may also claim further damages caused by the defective delivery, unless the Partner is not responsible for the defect.

Costs per claim for parts (keyword summary):
= MBAG purchase price or repair costs + Handling costs + diagnostic and analysis costs + removal and installation costs + other necessary expenses and/or caused damages

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Costs per claim for software (keyword summary):
= software costs + other necessary expenses and/or caused damages

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3.4.2 Calculation of the warranty costs (gross)

The warranty costs (gross) are the sum of the costs of the claims processed in the respective billing period in accordance with Section 3.4.1:

Warranty costs (gross) = Σ (costs to be taken into account worldwide from all claims in the billing period)

3.4.3 Calculation of the warranty costs (net)

The warranty costs (net) are calculated by multiplying the agreed AR by the warranty costs (gross) in the billing period:

Warranty costs (net) = AR x warranty costs (gross)

3.4.4 Invoicing in Standard Recourse

The warranty costs (net) will be invoiced to the Partner or the Partner will receive a debit note from MBAG.

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 and/or software.

4.1 Recall

A recall within the meaning of these regulations occurs if, due to defective delivery or performance 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 MBAG in compliance with provisions. Furthermore, all field measures performed due to defective delivery or performance are considered recalls if they serve to defend against risk to life and limb.

4.2 Damage to Other Components or other software

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

4.3 Series Damage

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

4.4 Processing of Warranty Claims

Individual agreements can be concluded with Partner on the processing of MBAG warranty claims for special recourse; as long as no agreement to the contrary is reached, the contractual and statutory rights of MBAG remain unaffected. The processing regulations for standard recourse (Section 3 of these regulations) do not apply; however, the provisions made in Section 3.3.7 (Product and Process Changes and Production Relocations) will be applied accordingly in cases of special recourse.

5. Claims Despite Acceptance

The acceptance or approval of submitted samples by MBAG and compliance with the test specifications shall not affect the claims of MBAG.

6. Deliveries/Performance by Third Parties

The Partner shall generally manufacture the parts and/or software itself. In case the Partner procures deliveries and/or services for the manufacturing/creation of the parts and/or software from third parties (“Sub-contractors”) or in case the Partner procures the parts and/or software from third parties (“Sub-suppliers”), the Partner shall continuously monitor that these deliveries and/or services are free from defects.

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

7. Arbitration Expert

If the Parties are in dispute, whether the Partner’s deliveries or services are free of defects, the Parties will, on request of one Party, agree within three months 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, MBAG is entitled to make a request to the President of the Chamber of Commerce and Industry, Stuttgart Region, that he may appoint an arbitration expert. After appointment of the arbitration expert, MBAG and the Partner 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, MBAG as well as the Partner are 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 mutually provided by the Parties – answer the question, whether the Partner’s deliveries or services are free of defects. The Partner will provide to the arbitration expert all information necessary for the examination.

MBAG is entitled to withdraw the request to the President of the Chamber of Commerce and Industry, Stuttgart Region, if the arbitration expert fails to submit his examination within appropriate time. By such a withdrawal, the proceedings of the arbitration expert are terminated. In this case, MBAG 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.

The Parties will equally share the costs of the arbitration expert. Each Party shall bear its own costs incurred in connection with the performance of the arbitration expert. § 317 to § 319 of the German Civil Code (Bürgerliches Gesetzbuch, BGB) shall apply.

8. Other Rights

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

9. Information Relevant to Recourse for the Partner and Contact Persons

The Partner may obtain information relevant to recourse from the IT recourse system maintained by MBAG via the Mercedes-Benz Supplier Portal. It is in the interest of the Partner to regularly review this information as it will provide the Partner 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 and software analyses, the Partner shall identify to MBAG at least one responsible contact person and shall inform the MBAG divisions (PKW/VAN) to which it makes deliveries without undue delay of any changes of contact persons and/or modifications of their contact information .

Failure mode and effects analysis (FMEA)

The Partner shall create and maintain a Design and Process FMEA for the system and/or component (component part) which is to be developed/supplied in a timely manner using a suitable system. The procedure thereby must comply with the. AIAG/VDA FMEA Handbook Design FMEA, Process FMEA, Supplemental FMEA for Monitoring & System Response. The Partner is solely responsible for his FMEA scope.

The interfaces of the FMEA shall be coordinated with the responsible MBAG department prior to the creation of the FMEA. If necessary, the assessment of the Severity ("S") of the failure effect must be agreed upon between the Partner and the MBAG department.

If the product (system) to be developed/to be supplied includes software scope, the system architecture/structure should preferably be function-oriented. The structure can be derived from a function analysis that describes the interactions between a system's functions and sub-functions. The key software functions shall be analyzed analogous to hardware functions and must be taken into account in the system architecture/structure.

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

The documentation of the method and the evidence of the execution of the FMEA including the documents shall be provided to MBAG for inspection upon request.

All documents associated with this procedure must be stored by the Partner in accordance with VDA Volume 1.

Logistics

Delivery Call-off

1. General Section

1.1. The Delivery Call-off

The binding quantities to be delivered by the Partner and the delivery dates are set out in the individual MBAG delivery call-offs. The delivery call-off is created by MBAG for each object number[1] and sent to the Partner by way of RDT (remote data transmission). The transmission is carried out by MBAG in a valid standard format. The formats available for selection conform to generally applicable standards and may contain minor deviations owing to MBAG's internal organizational processes. Should a certain standard format be necessary due to procedural deliverables, the same must be specified and utilized by MBAG.

Upon the request of the Partner, in exceptional cases and with the explicit consent of MBAG, delivery call-offs may be transmitted by EDI (electronic data interchange) web instead of RDT.

MBAG can send the delivery call-offs directly to the Partner's production plants upon any such request by the Partner; in such cases, the Partner shoulders the responsibility of proper fulfillment of the delivery call-offs.

The released quantity in the delivery call-offs is assigned to exact delivery days over a short-term period (up to 4 months). The delivery days are defined as arrival dates [i.e. same day delivery] (goods receiving section at MBAG) and must be adhered to by the Partner.

The respective delivery must always be made on the basis of the last transmission, i. e. on the basis of the latest delivery call-off.

1.2. Purchase Commitment

In the event of full or partial cancellation of delivery call-off quantities by MBAG, the purchase commitment specifies periods for which MBAG is obligated to accept parts or feed stock. MBAG is obligated to accept parts and feed stock as follows:

MBAG's purchase commitment results from each delivery call-off per object number from the fields "Production release" and "Material release". The period of production release regulates the released quantity, for which MBAG is obligated to accept parts produced. The material release period governs the released quantity for which MBAG is obligated to accept feed stock.

The period of production release or material release always 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.

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[1] The materials/parts used at MBAG are well-defined according to object numbers/groups.
The explanations and design/structure of this are documented in the "Manual of Mercedes-Benz Object Numbers" in the Mercedes-Benz Supplier Portal at http://supplier.mercedes-benz.com.

The production and material release periods in the business areas Mercedes-Benz Cars and Mercedes-Benz Vans are “1 + 2” months: The production release refers to a period of one month, the material release to a period of two months.

There may be different regulations in case of special range of parts.

There is no purchase commitment for quantities outside the production and material release period.

1.3. Communication with MBAG regarding the delivery call-off

The released quantities and delivery dates specified by MBAG in the delivery call-offs must be adhered to by the Partner. Confirmation of the delivery call-offs by the Partner is not necessary.

If delivery quantities and/or delivery data cannot be fulfilled or complied with by the Partner, the Partner is obligated to communicate this in the SMB (Supplier Management Base) – module BBM (Demand and inventory management) to MBAG for approval by means of corresponding entries. In such cases, the Partner must enter concrete delivery quantities and delivery data with arrival times (time of the day) in the BBM.

If necessary, the Partner will also immediately contact and coordinate with the responsible material scheduler (“Materialdisponenten”) at MBAG.

In addition, the Partner undertakes to enter his capacity specifications in the SMB – module BKM (Demand and capacity management). The technically possible output quantity using a normal shift model (normal capacity), the output quantity using a maximum shift model (maximum capacity) and the current delivery capacity of the respective object numbers or part families must be entered in the BKM for a specific period of time.

Changes to capacity specifications are to be mapped promptly, plausibly and completely by the Partner.

The Partner must ensure the production capacities of its suppliers. To secure the feed stock demand, the Partner shall inform its suppliers of the necessary requirements.

2. Pick-Up-Sheet

2.1. Pick-Up-Sheet as supplementary delivery call-off type

The pick-up sheet (PUS) is used as a supplementary delivery call-off type and must be able to be processed by the Partner. The delivery call-off is still used by the PUS as a framework delivery call-off for purposes of preview and capacity planning; the purchase commitment is also based on the delivery call-off (cf. No. 1.1).

Upon receipt of the PUS, the shipment/delivery control is transferred from the delivery call-off to the PUS. The specification of the pick-up day is an essential feature in the pick-up sheet process. The Partner must make the materials/parts available well in time to be collected on the pick-up day.

The PUS is transmitted in the standard format VDA 4985. Alternatively, and only with the prior consent of MBAG, the PUS can be made available by MBAG on the IBL platform (Inbound Logistics) in exceptional cases.

2.2. Communication with MBAG regarding the Pick-Up-Sheet

If release quantities cannot be fulfilled in the pick-up sheet process on the respective pick-up day, the Partner must create a special pick-up sheet (SPUS) for the delta quantity. The system automatically forwards the information from PUS and SPUS to the SMB-BBM platform and displays it there (see also No. 1.3.). The regulations on delivery call-offs in No. 1.1. apply accordingly.

Over-deliveries are not possible in the pick-up sheet process.

Further details are described in the “Guideline for Pick-Up-Sheet Suppliers of MBAG AG[2]”.

[2] The guide can be downloaded from the Mercedes-Benz Supplier Portal at http://supplier.mercedes-benz.com

General Packaging Regulation and Handling of Containers

1. General Regulations

MBAG uses reusable packaging known as pool or special containers in the delivery of parts by Partners. Information on container management processes is exchanged between MBAG and its Partners exclusively via the internet application “electronic Container Management” (eCon), which is available on the Mercedes-Benz Supplier Portal (https://supplier.mercedes-benz.com). The claim process in case of logistical failure of the Partner takes place via the application REKLA which is also available on the Mercedes-Benz Supplier Portal.

2. Handling of Containers

When using the containers required for parts deliveries, the Partner will comply with the regulations of the Process Manual European Container Management (version 3.5). 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 MBAG 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 Partner undertakes coordination for all of the affected recipient plants.

2.1. Member Plants in the European MBAG Container Pool

The Partner may only supply those plants affiliated to the European Daimler container pool (see eCon for current listing) with containers made available by the European Daimler container pool. In the event that non-affiliated plants or companies are supplied, any resulting loss of containers will be invoiced to the Partner, unless the Partner is not responsible for the breach of duty (see also Section 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 Partner 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 Partner fails to adhere to the defined container, Daimler reserves the right to invoice the Partner for the additional costs which are incurred by the recipient plant (e. g. repackaging and administrative costs), unless the Partner is not responsible for the breach of duty (see also Section 3.).

2.3. Requirement Planning and Requirement Determination

In the case of pool containers, a supply requirement determination is performed by MBAG 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 Partner 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 Partner's supply with containers.

By default, the Partner receives a base range of 5 workdays from MBAG for all container types. For specific delivery types (e. g. JIS, JIT), the base range is reduced.

The range for pool containers has to be aligned with the central container management at MBAG. In exceptional cases, MBAG 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 Partner.

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 respective contact person of the recipient plant for eCon.

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 MBAG Designs

Containers according to MBAG designs are usually procured by MBAG or an affiliated company of MBAG according to § 15 AktG. The containers procured by MBAG or by an affiliated company of MBAG according to § 15 AktG are the property of the procuring entity respectively. Containers built to MBAG designs as well as copies of MBAG designs must not be procured and/or brought into circulation by the Partner. 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 Partner.

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

As a rule, VDA containers are procured by MBAG or an affiliated company of MBAG according to § 15 AktG. Additional container volumes can be requested from the central container management at MBAG or procured by Partners 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 Partner. In this case, the Partner bears the corresponding responsibility (replacement, repairs etc.). The Partner is obliged to identify these containers with an official MBAG container number and manage them under this number. The MBAG container number must be requested from the responsible container planner.

2.6. Supplier Designs

The Partner may design and procure special containers subject to its own responsibility following prior coordination with MBAG. The Partner is obliged to request an MBAG container number from the responsible MBAG container planner to identify these special containers with an official MBAG container number and manage them under this number. The MBAG container number is, inter alia, mandatory for controlling the return delivery of empties to the Partner.

The Partner is the owner of the special containers and bears corresponding responsibility (e. g. repair, provision on schedule and as required).

2.7. Usage Charge

There is no usage charge for special containers. Exception: A usage charge will be levied for all special containers that were first procured before 01.01.2021. Agreements that deviate from this are possible in individual cases. For pool containers provided by MBAG, MBAG will collect a usage charge for use by the Partner. If the containers are provided by the Partner, no invoicing by MBAG is carried out.

The usage charge distinguishes between a stock-oriented and a requirement-oriented rental 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. MBAG creates quarterly rental bills and provides the annexes to the rental bills in eCon.

In case of special containers that were first procured before 01.01.2021, invoicing is performed centrally by means of a requirement- oriented rental process. The containers of relevance to the rental system and their rental prices per calendar day are stored in eCon per supplier location. MBAG creates quarterly rental bills and provides the annexes to the rental bills in eCon.

The significant characteristics of these two processes are described in the Process Manual European Container Management. In individual cases, special agreements can be made with the Partner on the use of special containers for individual plants.

2.8. Control of Supplies

The supply of empties is performed actively by the respective MBAG plant or by an empties shipping plant located at an optimized distance, based on account management and requirement planning. If MBAG is the freight payer for parts deliveries, MBAG will also assume the freight costs for the delivery of empties. If the Partner is the freight payer for parts deliveries, the costs for the delivery of empties will also be borne by the Partner.

To optimize freight and handling costs, empties are generally delivered in complete containers and transport units.

The Partner is obliged to monitor and check the account management of the pool and special containers (incoming and outgoing bookings) and to make complaints if necessary. In the event of imminent container bottlenecks, the respective contact person at the receiving plant for eCon shall be informed in good time with due regard to the empties provision time. The Partner’s obligation to deliver remains in force without limitation even in the event of empties bottlenecks. Unless otherwise agreed, the Partner 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

Container differences are to be clarified by the Partner. 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 MBAG containers are managed by MBAG. The data quality of delivery notes and shipping documents directly influences needs-driven container supply and the level of the usage charge.

For centrally account managed containers, MBAG creates monthly container account statements and makes these available to the Partner 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 Partner does not enter any complaint in eCon within these 6 weeks, the published balances are considered as accepted by the Partner. MBAG reserves the right to invoice the Partner for expenses resulting from processing unwarranted complaints, unless the Partner is not responsible for the breach of duty (see also Section 3.). Complaints of a large number of documents, which are in majority rejected on a case-by-case review, are deemed unjustified.

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

To improve data quality and account management of special containers, track and trace technology is being implemented for selected containers.

The track and trace technology enables the automated recording of container locations including time data. This is achieved by using a wireless sensor on the container and a network of readers to detect the sensors.

The readers are physically located in the area in which the containers are to be tracked. Partners who use the selected containers agree to install appropriate readers. The Partner has the option of accessing the collected data if they wish and are willing to cover the resulting costs.

2.10. Inventory/Stock Taking

For all pool containers and defined special containers with accounts managed by the plants, the Partner shall perform an inventory annually by December 31. The Partner must record the counting results (including zero stock) in an electronic stock taking list in eCon. The Partner is responsible for the correctness of the transferred counting results. In the event of incorrect entries, MBAG reserves the right to charge for any costs incurred, unless the Partner is not responsible for the incorrect entries.

In exceptional cases (e.g. in the event of container supply bottlenecks) additional stock taking during the year may be necessary.

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

If stock discrepancies are detected, MBAG procures a replacement, which is invoiced to the Partner unless the Partner is not responsible for the stock discrepancies. If during the clearing process the Partner subsequently corrects its original inventory report and MBAG has already procured the reported quantity of missing containers, the Partner shall recompense 10 % of the reprocurement value.

MBAG is entitled to demand reimbursement from the Partner for the expenses incurred in processing stock discrepancies ("processing fee"), the amount of which is based on the necessary processing time and the hourly rate of the employees deployed. Should further expenses have been incurred, the Partner is also obliged to reimburse these. The reimbursement obligation does not apply if the partner is not responsible for the stock discrepancies.

Should the partner fail to comply with its obligations to count the container stocks and report these figures to MBAG in good time despite a prior reminder via the container management system, a total loss of the containers is assumed. MBAG is entitled to procure replacements and invoice them to the Partner at the standard prices, unless the Partner is not responsible for the failure to provide a timely and accurate inventory report. The charges levied cannot be offset in inventory reports in subsequent years.

2.11. Compensation for damages and expenses

Precautionary clarification: Insofar as MBAG is entitled to claim damages or compensation for expenses in accordance with this Section 2, other claims for damages or compensation for expenses by MBAG shall remain unaffected.

3. Logistical Failure of the Partner

MBAG reserves the right to complain about logistical failures of the Partner via the REKLA module on the IBL platform and to charge any additional expenses incurred unless the Partner is not responsible for the failure. These include, in particular, deviations from the packaging agreement in the goods receipt process (see also MBST 35 Section 4).

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 in Terms of Commercial Laws

The Partner must indicate the non-preferential origin (commercial law) in accordance with Art. 59 et seq. of Regulation (EU) Nr. 952/2447 in the respectively valid version at the latest by the time of delivery to a MBAG location, free of charge.

The following proof of origin under commercial law is recognized and must be provided by the Partner:

a) Certificates of origin
1. issued by authorized bodies, or
2. issued by a foreign chamber that is a member of the "World Chambers Federation";

b) Chamber of Commerce and Industry (Industrie- und Handelskammer, "IHK") declarations for non-preferential origin;

c) Proof of preferential origin in accordance with the regulations in force in the European Union:
1. movement certificates (EUR.1, EUR-MED), preferential declarations of origin, including those from authorized exporters,
2. EUR.2 form,
3. declarations by "Registered exporters (REX)" issued for goods entitled to preferential treatment, or
4. supplier's declarations for goods with preferential originating status (LE); and

d) invoices from third-country companies only if the origin of the goods is expressly certified therein by an entity authorized to issue certificates of origin (see paragraph a).

For evidence as per sections 1.1 b) and 1.1 c) no. 4, the OCS-Web or SCS procedure provided by MBAG (see 1.2) must be used.

In the event of incorrect or delayed provision of evidence, MBAG can demand that the Partner reimburse it for the expenses incurred as a result, unless the Partner is not responsible for the incorrectness or delay. Other claims for reimbursement of expenses and claims for damages by MBAG remain unaffected.

1.2. Declaration of the Preferential Origin of Goods

If the Partner's place of business and/or production plant is located in the European Union or in Turkey, in accordance with the valid regulations concerning the preferential origin of goods, the Partner must issue a declaration pursuant to Art. 61 – 66 Implementing Regulation (EU) Nr. 2015/2447 or in accordance with Decision No 1/2006 of the EC-Turkey Customs Cooperation Committee of 26 September 2006, Annex VI, in the respectively valid version (individual or long-term declaration).

The Partner must ensure that the company has the technical knowledge required to determine a preferential statement (preference & supplier declaration without preference, "LoP") and must ensure that a suitable contact person is available at all times to exchange information.

In this case, the indication of commercial origin must be taken together with the issuing of the (long-term) supplier declaration on the preferential origin. As a general principle, with the order or – in the case of an ongoing business relationship – annually, the Partner shall receive the following from MBAG:

a) a request for the submission of a (long-term) supplier declaration and/or IHK-declarations including a description of the binding procedural approach to be observed, **or**
b) a corresponding letter with the (long-term) supplier declaration form to be used;
c) if the Partner participates in the digitized submission procedure, MBAG can create a long-term supplier or long-term IHK-declaration for each part number finalized by the Partner in OCS-WEB.

The Partner shall provide MBAG with the signed long-term supplier's declaration free of charge within four weeks of receipt of the request/letter, but no later than upon delivery. It is mandatory that the Partner connects to and uses OCS-Web, the interface to the MBAG internal preference calculation system, for LLE submission.

The long-term supplier's declaration and/or IHK-declaration must be submitted as follows:
a) OCS-Web (preferred submission via the supplier portal/iCuSt).
To register for OCS-Web, please contact the service provider of MBAG, Mercedes-Benz Group Services Berlin GmbH, FO/FL, 495 – HPC HC 23, 10875 Berlin, Germany, mbox-495-mbag-ocsweb@mercedes-benz.com by e-mail. After that, the requirements of the completed long-term supplier declarations and/or the IHK-declaration are provided by e-mail from OCS Web. The declaration is made directly in OCS Web. To provide the long-term supplier declaration and/or IHK-declaration digitally, use the access via the supplier portal/iCuSt. If it is created digitally, a handwritten signature is not required. Detailed step-by-step instructions are provided and updated in the user manual in the help section of OCS-Web.

b) OCS-SCS can be used in justified exceptional cases with the approval of MBAG.
In principle, each long-term supplier declaration and/or IHK-declaration must be signed by hand. The responsible persons must be named and their position in the company indicated. The long-term supplier's declaration and/or the IHK-declaration must be sent by e-mail only to the service provider of MBAG, Mercedes-Benz Group Services Berlin GmbH, FO/FL, 495 – HPC HC 23, 10875 Berlin, Germany, mbox-495-le-management@mercedes-benz.com.

The Partner must use the Mercedes-Benz form sent by MBAG.

The Partner must notify Mercedes-Benz immediately by e-mail to the service provider of MBAG, Mercedes-Benz Group Services Berlin GmbH, Fo/FL, 495 – HPC HC 23, 10875 Berlin, Germany, mbox-495-le-management@mercedes-benz.com or in OCS-Web immediately if the information provided in a long-term supplier declaration and/or IHK-declaration is no longer correct in the future. A long-term supplier declaration is also provided by the Partner if it certifies that the delivered goods do not have a preferential EU origin within the meaning of the respective agreement. In this case, a justification for the negative response is required and then, always and immediately, a long-term supplier declaration for goods without preferential origin status (LOP) is provided with a price breakdown stating the “part number” and the value of the non-originating materials used, so that it is clear to what extent the threshold permitted by the list rules has been exceeded. In this case, an IHK-declaration must also be issued. It is possible to submit a LOP by e-mail or in OCS-Web (“Traced Value”). This allows Mercedes-Benz to take the preferential EU originating status into account as a percentage in its own calculation process. Accordingly, a long-term supplier declaration must be submitted for each item of de-livered goods, regardless of their actual originating status. At a later point in the calendar year, but no later than the end of the year, all negative preference statements must be checked again. The result of the review is to be communicated immediately to the service provider of MBAG, Mercedes-Benz Group Services Berlin GmbH, FO/FL, 495 – HPC HC 23, 10875 Berlin, Germany, mbox-495-le-management@mercedes-benz.com or in OCS-Web.

MBAG reserves the right to request individual supplier declarations from the Partner in justified exceptional cases. These are to be submitted as part of the procedure for long-term supplier declarations described above.

Likewise, the Partner must inform MBAG immediately by e-mail to the service provider of MBAG, Mercedes-Benz Group Services Berlin GmbH, FO/FL, 495 – HPC HC 23, 10875 Berlin, Germany, mbox-495-le-management@mercedes-benz.com or in OCSWeb if it determines that declarations regarding the preferential and non-preferential origin of goods (supplier’s decla-ration/long-term supplier’s declaration and/or IHK-declaration/movement certificate/declaration on the invoice) issued in the past were wrongly or incorrectly issued or not issued (e. g. due to production being relocated outside the EU to the EU). In the event of a request for verification, the Partner shall provide MBAG with all the documents requested by the customs authorities and/or the IHK within the specified deadlines. In these cases, it is an INF.4 request from the customs authority, or an IHK-declaration requested by the IHK, which must be confirmed by the Partner’s local customs authority or authority authorized to issue non-preferential certificates of origin.

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

Tender supplier declaration

In the run-up to an agreement on a series supply, MBAG requests a tender supplier declaration (so-called "Vergabe-Lieferantenerklärung", "VLE") from all requested partners. This declaration serves MBAG as the basis for the creation of a simulation calculation/forecast of the preferential origin of the goods manufactured with these materials and at the same time forms the basis for the award of the contract for series supply. The Partner shall provide MBAG with the VLE by e-mail to the service provider of MBAG, Mercedes-Benz Group Services Berlin GmbH, FO/FL, 495 – HPC HC 23, 10875 Berlin, Germany, mbox-495-vle@mercedesbenz.com (until final implementation of the OCS web access for VLEs) prior to conclusion of the contract. The "Vergabe-Lieferantenerklärung" ("VLE") is requested from the Partner with a corresponding letter including the form for the declaration to be submitted. The "Vergabe-Lieferantenerklärung" expressly does not constitute a long-term supplier declaration within the meaning of Regulation (EU) No. 2015/2447. The revocation or a change (e. g. intention to relocate or a change of sub-supplier) of a preference statement previously made by the Partner (in particular VLE positive to LLE negative) always inevitably leads to a risk for MBAG ("customs risk"), as originally unforeseen customs duties may be incurred if the preference is not granted. Any technical, process-related or production-relevant change that leads to a change in the preference of the component in the period between supplier nomination and LLE issue at the start of series production (Start of Production, "SoP") must be reported by the Partner. If the customs risk materializes and/or the Partner fails to report a change as stipulated above and MBAG incurs expenses or damages as a result, these shall be borne in full by the Partner, unless the Partner is not responsible for the expenses or damages incurred.

1.3. Deliveries in Accordance with Incoterms 2020/Groups E and F

In case of deliveries "FCA (…specified location)" or other terms of delivery in accordance with Incoterms 2020/Groups E (EXW) and F (FCA, FAS or FOB), the Partner shall only transfer the goods to the freight forwarder commissioned by MBAG (see Section 1.17). Intermediate use of a shipping company by the Partner is not permitted. If, contrary to the agreed terms of delivery, the Partner delivers the goods to MBAG itself, the Partner bears the freight costs and risk up to the takeover by MBAG.

1.4. Deliveries in Accordance with Incoterms 2020/Group D (DAT, DAP or DDP)

If the Partner 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 MBAG.

1.5. General customs duties

In case of deliveries of goods requiring customs treatment, the delivery note or the invoice shall include all customs relevant information and payments according to the applicable Incoterms 2020 (e.g. place of delivery, freight and insurance costs).

All costs not directly related to the goods shall be itemized separately on the delivery note or the invoice (e.g. costs for construction and training in case of supplies of machines and tools). In the case of deliveries which are not part of a sale of goods transaction, e.g. deliveries made free of charge, leasing or rent of goods, a pro-forma invoice declaring the commercial value of the goods is still required. In the case of deliveries made free of charge the pro-forma invoice shall state the reason why the delivery is made free of charge (e.g. sample deliveries or returning goods etc.).

Unless otherwise agreed, the Partner shall be responsible for the compliant export of the goods from his customs territory, which includes the fulfillment of all applicable obligations imposed on the Partner as exporter (Exporter of Record) by law. Unless otherwise agreed, MBAG shall be responsible for the compliant import of the goods in the country of destination, which includes the fulfillment of all applicable obligations imposed on MBAG as importer (Importer of Record) by law. If the Partner assumes responsibility for customs clearance in connection with the import of goods in the country of destination without MBAG's prior explicit approval in written form, the Partner shall bear all customs duties and other import charges, fees and costs in connection with such import, which incur for MBAG due to the possible loss of advantageous customs procedures (e.g. special customs procedures, customs warehousing, Customs Free Zones etc.).

The Partner shall provide or make available upon MBAG's request all documents, information, certificates or the like, which are necessary for the worldwide import and export of the goods by MBAG and at all further stages of distribution (preferential and non-preferential origin certificates, conformity certificates, manufacturer's information justifying the origin under commercial law etc.).

If the Partner supplies goods from a customs territory, with which the country of destination has concluded a free trade agreement/preferential agreement (FTA), the Partner shall provide the certificate of origin/preference declaration for such goods required by the relevant FTA to MBAG, provided the goods meet the applicable Local Content criteria.

Commercial benefits from special customs procedures, which have been implemented by the Partner, shall be transferred to MBAG via parts price (e.g. benefits from active refinement).

1.6. Scheduled Goods

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

1.7. Shipping/Transport Sequence Disturbances

Any disturbances in the specified sequence, including disturbances caused by second tier suppliers, must be immediately reported by the Partner both to the freight forwarder and to the responsible order planning department of the relevant MBAG 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 Partner.

1.8. Excess/Advance Deliveries

The Partner 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 MBAG. If, counter to this stipulation, the Partner transfers the goods to a freight forwarder or carrier etc. commissioned by MBAG, the Partner bears the risk up to transfer in the MBAG recipient plant. Logistical costs for warehousing or return of unauthorized excess/advance deliveries are borne by the Partner.

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

If, contrary to these agreements, required quantities and/or delivery dates are not complied with, MBAG can charge any resulting damages and expenses (resulting costs, e.g. additional work, rental cars) to the Partner in accordance with the statutory provisions, unless the Partner is not responsible for the non-compliance with required quantities and/or delivery dates.

1.9. Weight Determination

The Partner is responsible for proper determination of the gross weight and tare weight of the shipment. In the event that MBAG commissions the Partner via pick-up sheet, the Partner is, without undue delay, obliged to inform MBAG about weight differences concerning the self-determined weight and the weight set by MBAG. If weights are improperly stated, MBAG passes on the resulting damage and expenses (e.g. added freight charges, plus processing expenses), to the Partner, unless the Partner is not responsible for the improper weight information.

1.10. Information Obligation

Planned changes to the shipping or receiving location, e.g. due to the relocation of production to a different plant of the Partner or the establishment of a shipping warehouse in a different location, must be reported to materials purchasing department and the responsible material manager. 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 MBAG. In this case the Partner 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 MBAG's approval, the Partner shall bear all arising expenses and damages, unless the Partner is not responsible for their occurrence.

1.11. Shipment of Hazardous Goods

In the context of the agreed services that are assumed by the Partner, 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 Partner is obligated to submit the shipment for forwarding in accordance with the regulations governing the transport of hazardous goods. The Partner'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 sections 17-26 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 Partner shall be liable for all damages and expenses incurred as a result of non-compliance with the legal provisions, unless it is not responsible for the non-compliance.

1.12. Driving Bans

In the event MBAG commissions the Partner via pick-up sheet and in the event that statutory driving bans or driving bans by the authorities are imposed on the pick-up date mentioned in the pick-up sheet, the Partner shall inform MBAG without undue delay. In the event MBAG does not commission the Partner via pick-up sheet, for all delivery terms in accordance with Incoterms 2020, the Partner 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.

1.13. Return Goods

Return shipment of goods arising through breaches of duty by the Partner will be organized by MBAG. The Partner must reimburse MBAG for any resulting damages and expenses (additional costs), unless it is not responsible for the breach of duty.

1.14. Stock Taking on Integration into Stock

In the event of a delivery in accordance with group D of Incoterms 2020, with respect to deliveries which are made at the time of stock taking in the MBAG plants, all goods in the possession of the freight forwarder (after the last acceptance day announced by the plants) will be inventoried by the Partner and insured against "loss of goods".

1.15. Mercedes-Benz Supplier Portal

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

1.16. Production Supply

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

1.17. 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 MBAG, are delivered to MBAG, or are taken over from MBAG

- 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 MBAG 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 MBAG 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 MBAG. 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. Any damages and expenses (additional costs) resulting from an unapproved order must be borne by the Partner, unless the Partner is not responsible for the unapproved order.

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 Mercedes-Benz Supplier Portal (see Section 1.16) 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 Partner, and can be looked up on the Mercedes-Benz Supplier Portal (see Section 1.16).

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 MBAG 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. For example, there is a risk to the production supply if the ordered goods are not ready for loading in the specified quantity and time.

In the order for a special tour by MBAG, the respective receiving plant determines the special tour operator and authorizes the appropriate charge for the costs as required.

In cases where the Partner 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 MBAG delivery call-offs (or pick-up sheet see MBST 17) apply for a delivery at the affected MBAG plants within the regular goods acceptance times. The transit times from the supply plant to the MBAG receiving plant must be taken into consideration in the notification time. The Partner is responsible for adherence to the scheduled arrival dates of the shipments at MBAG 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 Mercedes-Benz Supplier Portal (see Section 1.16). In the event that MBAG commissions the Partner via pick-up sheet, MBAG is responsible for the compliance with the arrival date, taking into account the timely notification of the goods at the freight forwarder.

3.2. Notification

The shipping quantity of the current call-off must be notified to the freight forwarder for transportation in writing by 12:00 p.m. (noon) at the latest on the day prior to provision. If a web-based notification portal is provided by MBAG 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. In the event that the freight forwarder is commissioned by MBAG, the notification to the freight forwarder is omitted after consultation and approval by MBAG.

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 Partner’s premises
- Loading sequence (exclusively for the direct shipping concept)

Notices sent after 12:00 p.m. (noon) 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 Partner is obligated to bear the incurring additional costs with respect to the freight forwarder. The Partner agrees that the freight forwarder will invoice these additional costs directly to the Partner.

3.3. Provision Time and Shipping Quantity

The Partner 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, MBAG 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 Partner.

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 Partner for the tonnage in excess of the specified fluctuation range as a freight loss. The currently valid cost rates are provided on the Mercedes-Benz Supplier Portal (see Section 1.16). In case the freight forwarder is commissioned by MBAG, lesser quantities are settled by MBAG. MBAG is entitled to allocate damages and expenses according to respective share of causation, unless the Partner is not responsible for their occurrence.

Additional quantities are not permitted. In special cases any deviation must be discussed with MBAG.

The required written consent by MBAG pursuant to No. 1.9 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 Partner 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. The Partner enables the shipping agent to carry out the acceptance check on the goods, in particular to ensure that the number of shipping units accepted matches the information in the freight document (electronic/digital) and that the packaging and labelling of the shipping units are in order. Bilateral agreements between the shipping agent and the Partner are possible at any time. 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. Furthermore, when loading, it must be ensured that side unloading is possible at the receiving plants. Refer to Mercedes-Benz-Guideline 9.5 for further details on load securing of MBAG load carriers.

Under the prerequisites of timely loading which is safe for transportation purposes, sorting ac-cording 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 MBAG, the Partner must ensure that only driving personnel which is appropriately employed in accordance with §§ 7b and c GüKG is deployed. MBAG 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 Partner will indemnify MBAG 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 Partner 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 Partner 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 Partner.

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

3.6. Freight documents

The handover of shipments to the freight forwarder may only take place with the fully completed freight document, e.g. shipping order or CMR in the format valid at MBAG in accordance with the EDI manual (available at supplier.mercedes-benz.com, see also Art. 1.5 MBST 35/16) or with a waybill.

It must be ensured that all the information on the documents is complete and matches the information in the delivery note notification or the corresponding EDI delivery note or shipment document in the VDA standard format valid at MBAG in accordance with the EDI manual. In particular, it is important to ensure that the supplier or shipment loading reference number and the gross weight are transmitted correctly and consistently. The field contents and any deviations from the above VDA recommendation can be found in the manual on electronic data interchange (EDI manual).

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 the valid VDA version at MBAG point 7 (bar code fields) on the freight document.

For full truck loads or direct deliveries, which are not handled in a shipping terminal, the Partner must transmit the freight documents electronically to the assigned freight forwarder in good time in line with the instructions of the latter, to enable the freight forwarder to provide the correct transport notification.

In the event of incorrect, inconsistent or untimely provision of the freight documents, MBAG may demand that the Partner reimburse it for the resulting damages and expenses (in particular, additional costs plus the processing expenses), unless the Partner is not responsible for the breach of duty.

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, currently valid version of VDA at MBAG. The field contents and any deviations from the VDA recommendation arise from the manual on electronic data in-terchange (EDI manual).

3.9. Delivery Note

Paper delivery notes are, in principle, not permitted for the truck shipping methods of regional freight forwarding (2.2.1) and direct transport (2.2.2). Instead, the Partner shall provide notification of delivery notes by EDI in the VDA standard format currently valid at MBAG. An EDI delivery note or delivery note corresponding to the data shall be provided to the shipping agent. Information on field contents and any deviations from the above-mentioned VDA recommendations can be found in the manual on electronic data interchange (EDI manual). For emergency processing, data entry in DQM is available free of charge.

For the other types of dispatch mentioned in Section 2 (parcel shipment, rail shipment and special tours), the Partner must use paper delivery notes, in deviation from the above principle, unless the Parties have expressly agreed otherwise.

3.10. Delivery Receipt

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

4. Logistical Errors of the Partner

Mercedes-Benz reserves the right to complain about any discrepan-cies and failures in the delivery and goods receipt process via the REKLA module on the IBL platform or via other adequate IT systems and to demand reimbursement from the Partner for any resulting damages and expenses, unless the Partner is not responsible for the breach of duty. MBAG provides the complaints to the Partner via the REKLA module for the purpose of processing complaints. The Partner undertakes to process complaints in the application within the specified, reasonable deadlines. The Partner can view the complaints there and issue a statement in response. If the complaint is not processed within the deadline, the complaint and any associated charge shall be deemed to have been accepted; MBAG is obliged to specifically inform the Partner of this legal consequence at the beginning of the deadline. The costs incurred in preparing a complaint can be calculated using a basic hourly rate. Further information on the REKLA module on the IBL platform can be found on the Mercedes-Benz Supplier Portal at (http://supplier.mercedes-benz.com).

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

1. General Section

1.1. Data Communication with MBAG

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 must be transmitted in line with the respective messaging standard.

Further information can be found in the currently valid version of the EDI manual (see below Section 1.6) and in the information under the section "Data communication with Mercedes-Benz AG" or a similarly labelled section in the Mercedes-Benz Supplier Portal (http://supplier.mercedes-benz.com).

In view of this, the Partner is obligated to create and use the prerequisites required for communication with MBAG via EDI. The costs arising in this respect are covered by the price paid by MBAG 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 Partner 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 Applications to improve Data Quality on the IBL platform Data Quality Management (DQM) System/Transport Management (TM)

To improve the quality of data during EDI transmissions and avoid costs incurred for reworking incomplete or incorrect EDI data from the very start, MBAG provides its Partners with a web platform (IBL platform). This enables the Partners to check independently the completeness and correctness of their EDI transmissions in advance. Use of the IBL platform is obligatory for the Partner. Further information on the DQM system is contained in the EDI manual.

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

As an alternative to standard EDI, Partners 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 Mercedes-Benz Supplier Portal under the section “Data communication with Mercedes-Benz AG” or a similarly labelled section.

1.4. Transport Data Entry via TM as an Alternative to Standard EDI

As an alternative to standard EDI, Partners which do not use their own data communication software can create and transmit transport data free of charge in the TM application.

Further information on transport recording can be found in the Mercedes-Benz Supplier Portal under the section “Data communication with Mercedes-Benz AG or a similarly labelled section.

1.5 Additional Expenses due to Process Disruptionsn

In the event of incorrect or incomplete data communication transmissions, the Partner must bear the resulting costs, unless it can prove that it is not responsible for the incorrectness or incompleteness. The level of the costs in this case is oriented towards the prime costs incurred by MBAG for subsequent processing:

A breakdown of costs is available via the IBL platform respectively.

1.6 EDI Manual

The EDI manual can be accessed via the Mercedes-Benz Supplier Portal under the section “Data communication with Mercedes-Benz AG” or a similarly labelled section.

2. Additional regulation for the transmission of change status information and MTC deliveries

In order to optimize the processing of design stage-critical scopes and to improve the quality of logistics processes, a few additional, MBAG-specific formats are required for specifying design and change statuses in the corresponding fields in the VDA recommendations currently valid for MBAG.

To achieve this, the requirements of the EDI manual and the applicable requirements of “labeling” must be observed (e. g. container management process manual and VDA recommendations).

3. Use of the Systems via Mercedes-Benz Supplier Portal

The Partner commits itself to follow all necessary information in the Mercedes-Benz Supplier Portal (http://supplier.mercedes-benz.com) relating to him regularly and to use applications immediately upon request.

4. Deviations in the Goods Receipt Process/Logistical Failures

MBAG reserves the right to complain about any deviation and/or faulty performance in the goods receipt process via the REKLA module on the IBL platform and to invoice any damages or additional expenses incurred, unless the Partner is not responsible for the respective deviation or faulty performance. In order to process complaints, MBAG shall make the complaints available to the Partner through the REKLA module. The Partner undertakes to process complaints in the application within the specified, reasonable deadlines. The Partner can inspect the complaints there and submit a statement. If the complaint is not processed in due time, then the complaint and any associated debit shall be deemed to have been accepted without further ado; MBAG is obliged to draw the Partner’s attention to this legal consequence at the beginning of the period. The expense incurred from creating a justified complaint and the breakdown of the costs are displayed to the Partner via the IBL platform. All further information about the REKLA module can be found on the IBL platform in the Mercedes-Benz Supplier Portal under http://supplier.mercedes-benz.com.

Product creation process

MBST 01/13

Regulation Concerning the Provision, Testing and Exchange of Digital Product Data in the Development Process

Regulation Concerning the Provision, Testing and Exchange of Digital Product Data in the Development Process.

1. General

MBAG usually develops component parts, systems/modules and complete functions together with the Partner. Close communication and validation on the basis of a digital product description are 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 process for spare part documentation, workshop equipment and special tools, workshop literature, initial sampling of spare parts and special tools, function and system descriptions, technical graphics, repair technology and literature, parts technology and service, retrofitting technology and literature, operating instructions, EE software test, packaging planning.

2. Subject Matter and commitment

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

In particular, in accordance with the regulations and directives 85/374/EEC, 2007/46/EC, 2000/53/EC, (EU) 2022/2464, (EU) 2024/1 781, EN2023/1542, the EU Green Deal and VDI 4500, as well as their subsequent regulations and guidelines, MBAG is obliged to provide component-specific product data to authorities and to track internally whether these requirements are met.

The Partner has a duty to cooperate with MBAG in providing component-specific product data in the CAD data formats permitted by MBAG in order to fulfil the obligation to provide evidence arising from these requirements. Details of the scope to be provided, such as simplified geometry, are described in other parts of the contract and in the component specifications (“Komponentenlastenheft”, “KLH”).

[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).

3. CAD Data Exchange

VDA recommendations VDA 4961/3, VDA 4950, VDA 4951 and VDA 4955 are therefore defined as binding for processing communication and validation processes between the Partner and MBAG. 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, MBAG-specific terms and additions in the CAD handbook for product-describing data from MBAG (CAD handbook)[2] will be defined via the relevant, current version. Changes to the CAD handbook are checked and immediately implemented by the Partner; if this is impossible, the Partner must immediately contact MBAG for clarification.

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 and documented in mutual coordination by the after sales and development departments and the Partner;

b) the processes for workshop equipment and special tools, workshop literature, initial sampling of spare parts and special tools, function and system descriptions, technical graphics, repair technology and literature, parts technology and service, retrofitting technology and literature, operating instructions, EE software test and for packaging planning, which are exchanged by the after sales department with their external Partners. This can also be product description data derived from 3D-CAD, e. g. in JT, Cinema4D or JPEG (2D images) format.

[2] See under http://pushed.i.mercedes-benz.com; CAD manual section

3.3. Use of Software relating to CAD data and the CAx/EDM process

The creation, amendment, forwarding and utilization of CAD data according to these MBST 01 must be carried out with software that meets the agreed requirements, carries a license for commercial use and which allows the processing of data for commercial purposes (e.g. no university or test license). The Partner will ensure that its sub-suppliers are subject to the same requirements.

3.4. Procedure in Case of Non-compliance

If the CAD 3D and CAD 2D data provided by the Partner should not 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 Partner or by a service provider commissioned by the latter at the Partner's expense.
- Following consultation, generation of the missing scopes or reworking of CAD data by a service provider commissioned by MBAG and at the Partner's expense.

Should the Partner fail to meet its contractual obligations under these MBST 01 or fails to do so within good time and thereby cause expenses and/or damages, the Partner is liable for the resulting expenses and/or damages, unless it is not responsible for the breach of the contractual obligation.

3.5. Sources of Procurement

The standard regulation refers to the necessary installation environment (CAD supplier packages, STEP Assembly Manager SAM). The CAD supplier packages are available as free downloads from the PuSh.ED.[3]

4. Digital Information in the Mercedes-Benz Cars Initial Phase: Parts History and Pre-production Test Batch Check-in Process

New processes will be introduced into the interface between MBAG and the Partner at the system level in order to implement a more stringent parts control during the initial. These processes should facilitate a finer interlocking of the supplier processes (component part changes, process and tool optimization) and the MBAG procurement process.

The Partner will therefore be obligated in the future to maintain an "online parts history" for its relevant component parts.

In addition, all pre-production test batch deliveries will in future need to be registered via a "pre-production test batch check-in process" before delivery, including delivery date and planned physical change levels (e.g. E or Q statuses). The detailed specification of both processes and the tasks entailed thereby can be found in the relevant component requirement specifications.

[3] See under http://pushed.i.mercedes-benz.com; Section NX or JT.

Sustainability and Environmental Protection

MBST 36/14

Technical Compliance, Export Control, Sustainability and Environmental Protection

Technical Compliance, Export Control, Sustainability and Environmental Protection

The minimum requirements for suppliers according to the Responsible Sourcing Standards. The following provisions regarding sustainability apply in addition to and define the standards and criteria of MBAG to Partners. The sustainability rules are based, inter alia, 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).

I. Business Ethics Standards

1. Anti-Corruption and Compliance

The minimum requirements for the Partner contained in the Responsible Sourcing Standards under Section IV. 2 "Corruption, bribery and extortion" apply.

2. Notification obligation for goods subject to export controls

2.1.

The Partner must ensure that it complies with all applicable national and supranational foreign trade regulations, in particular export control, sanction and embargo regulations. To this end, the Partner must take all necessary measures to avoid the risk of a breach of applicable foreign trade law.

2.2.

The Partner is obliged to inform MBAG at the earliest possible time, but no later than at the time of handover of the development result or conclusion of a supply agreement (whichever occurs first), whether the goods to be provided (including commodities, software and technology) are covered by the applicable export control law, but in any case by German, EU or US export control law, and to notify MBAG of the corresponding classifications (e.g. position of the German export list or Annex I of the EU Dual-Use Regulation 2021/821, Commerce Control List [CCL], United States Munitions List [USML], etc.).

If the goods to be provided constitute "US goods" within the meaning of US export control law (= items subject to the Export Administration Regulations [EAR] or subject to the International Traffic in Arms Regulations [ITAR]) and/or are subject to the export control law of another country, the Partner must inform MBAG accordingly.

If the goods to be provided contain US content, the Partner is obliged to notify the value (usual purchase price or current market price) of the US content in total, the percentage share of the US content and the applicable export control classification (Export Control Classification Number [ECCN] or USML item).

In addition, the Partner is obliged to inform MBAG immediately of all changes in connection with export control-relevant information regarding delivered goods.

2.3.

In order to fulfil the aforementioned notification and information obligations, the Partner shall send the aforementioned information to the following e-mail address, stating the Mercedes part number: eccn@mercedes-benz.com

2.4.

The Partner shall compensate MBAG for damages and expenses incurred by MBAG due to a breach of the above notification and information obligations, unless the Partner proves that it is not responsible for the breach of duty.

3. Safety and 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.

4. Technical Compliance and Cyber Security

4.1 General principles

The Partner has to comply with all technical regulations, which according to the contractual agreements with the Partner, apply to the Partner's products (e.g. applicable regulations, policies, laws and technical standards), taking into account the fundamental spirit of the respective regulation.

The Partner warrants that its delivery items are suitable for the intended use and that they are unobjectionable in terms of materials and workmanship. The Partner shall comply with the state of the art of science and technology (Stand von Wissenschaft und Technik), the safety regulations and the agreed technical data, specifications and quality requirements for the delivery items that it supplies. The Partner ensures that the delivery items comply with all national and international laws and regulations applicable for the respective delivery item in the sales and distribution markets. Changes to the delivery item require the prior written consent of MBAG. The Partner must take into account relevant publications of the VDA (red volumes) – in particular those on product compliance – as applicable documents and implement their contents.

4.2 Requirements for a technical compliance management system

The Partner has to establish adequate structures of a technical compliance management system within his organization to ensure the adherence to technical regulations (e.g. regulations, guidelines, laws and technical standards) within the product creation phase and throughout the entire life cycle of the delivery item. A technical compliance management system should in particular provide orientation and guidance for the Partners' employees and consider appropriate technical compliance standards, integrity and ethical understanding.

4.3 Organisation

The Partner maintains a technical compliance management system under the direction of an independent person at management level. This person can be contacted, in addition to the departments responsible for contract processing of the respective individual contracts, in the event of questions, doubts and differences of opinion regarding technical compliance. It is communicated to MBAG and MBAG must be informed if the person changes.

4.3.1 Control and testing activities

The Partner maintains suitable control and review activities, for example in the form of a dual control principle for process steps with high regulatory risk exposure in development or related functions, to ensure regulatory compliance. The effectiveness of these review activities must be ensured to an appropriate degree.

4.3.2 Provision of documentation

The Partner shall provide MBAG on request with all technical documentation and data for the delivery items if this information is requested from MBAG by an investigation, type approval or market surveillance authority or by any other authority or organisation or body designated by these authorities. In the case of delivery items relevant to emissions, consumption and range, this applies in particular to all documentation and data relevant to emissions, consumption and range, such as the functional framework and application strategies, AES/BES or AECD-related technical documentation, information on performance values and ageing behaviour, OBD documentation and the complete calibration of vehicle components and systems. In addition, the Partner shall inform MBAG on request about which licences, in particular FOSS (Free and Open Source Software), property rights or patents are used in the respective delivery item, as well as whether and to what extent the delivery items contain machine learning or artificial intelligence technologies.

4.3.3 Communication and escalation

If the Partner becomes aware of facts that give rise to the suspicion of a violation of legal requirements or regulations, e.g. with regard to certification, CE conformity, emissions and product or data security, cyber security, data protection or FOSS licences (Free and Open Source Software), AI (artificial intelligence) with an impact on MBAG, the Partner must inform MBAG immediately in text form in accordance with the tCMS escalation model (see “Awareness Package for suppliers” in the Mercedes-Benz Supplier portal at https://supplier.mercedes-benz.com) and, if such a violation may be the responsibility of the Partner, to clarify the facts immediately. Both contracting parties shall enter into discussions in order to jointly ana-lyse the facts of the case and then, on the basis thereof, (i) jointly agree on the additional measures necessary to comply with the relevant national and international laws and regulations and/or the requirements of the safety, conformity and emission requirements concerned or (ii) to dispel the reasonable doubts.

4.3.4 Obligation of sub-suppliers

The Partner shall make every reasonable effort to include a similar obligation in contracts with sub-suppliers of delivery items relating to e.g. certification, CE conformity, emissions, product or data security, cyber security, data protection, FOSS licences (Free and Open Source Software) and AI (artificial intelligence), according to which corresponding suspicious activity reports must be made by sub-suppliers to the Partner.

4.4 Further requirements for delivery items with cyber security relevance

The aforementioned requirements for a technical compliance management system also apply to the implementation of legal or regulatory cyber security requirements. All delivery items that affect MBAG in complying with the cyber security of the vehicles placed on the market (e.g. in accordance with UN Regulation No. 155) and the operation of a Cyber Security Management System (CSMS) are relevant with regard to cyber security.

The Partner must comply with all relevant cyber security requirements, regulations, directives, laws and technical standards directly and immediately applicable to it in the currently valid version as well as the contractual agreements on cyber security.

The Partner has a duty to cooperate with MBAG to fulfil the requirements for delivery items, development methods, processes and structures resulting from UN-R155 and UN-R156, for example, over the entire life cycle of its delivery item with cyber security relevance, as an integral part of MBAG products.

In particular, the Partner must implement ISO/SAE 21434 for the relevant development sites of the delivery items, as well as Automotive SPICE in product-related coordination. In addition, the partner must have TISAX Level 3 certification or at least an equivalent specification for all relevant locations. The Partner must ensure the same along its supply chain. The Partner also undertakes to actively inform MBAG in the event of cyber security threats. In addition, the partner undertakes to comply with existing reporting obligations.

II. Passing on of Standards I and the minimum requirements of the Responsible Sourcing Standards in the supply chain

The Partner shall communicate the content of these sustainability standards in accordance with Sections I and II and the minimum requirements of the Responsible Sourcing Standards to its suppliers, oblige them accordingly and verify compliance in the supply chain.

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