A supplier’s guide to a successful relationship with Detroit Diesel Corporation and its Axle Alliance division
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1. Preface

1.1 Welcome to Doing Business with Detroit Diesel Corporation and Axle Alliance

To create and maintain a successful business relationship with Detroit Diesel Corporation (DDC), many specific requirements must be addressed by suppliers. Axle Alliance, a division of DDC, also follows these specific requirements of DDC. DDC and Axle Alliance have an expectation to receive quality products and services in the right quantity, at the right price and at the right time. Understanding the meaning and detail of these expectations can be difficult, so we are providing our suppliers with this guide to help understand the key steps they can follow for a long-lasting and successful business relationship with DDC.

This guide outlines supplier expectations by presenting a logical progression of departments, events and documents that will be encountered when doing business with DDC and Axle Alliance. We hope suppliers find it helpful and look forward to a mutually rewarding business relationship.

Thank you for your interest in this guide and your service to Detroit Diesel Corporation.

Please return the form on the following page to your buyer advising us of your contact persons and confirmation of receipt of Doing Business with DDC and Axle Alliance.
1.2 Supplier Contact Information Sheet

Supplier: 
Address: 

<table>
<thead>
<tr>
<th>Contact Person Sales</th>
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</thead>
<tbody>
<tr>
<td>Name:</td>
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<td>Phone:</td>
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<tr>
<th>Contact Person Scheduling</th>
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<tr>
<td>Name:</td>
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<td>Phone:</td>
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<table>
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<th>Contact Person Quality</th>
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<table>
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<tr>
<th>Contact Person Accounting</th>
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<td>Name:</td>
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</table>

Signature confirming receipt of Doing Business with DDC and Axle Alliance

Please return this to your buyer
1.3 About Detroit Diesel Corporation and Axle Alliance

OUR COMPANY

DDC, a Daimler company, is a leading manufacturer of on-highway heavy-duty diesel engines and automated transmissions for the commercial truck market offering products under the Detroit brand. Axle Alliance, a division of DDC, is a leading manufacturer of medium duty and heavy duty front and rear axles for the commercial vehicle market. Through its corporate headquarters in Detroit, Michigan, Detroit is engaged in the design, manufacture, sale and service of these products.

Detroit™ products are serviced through a North American network of more than 700 authorized locations. DDC also has five remanufacturing centers that are strategically located throughout the United States and three parts distribution centers in North America.

GENERAL INFORMATION

Company Name: Detroit Diesel Corporation

Axle Division: Axle Alliance

Company Brand: Detroit

Facility: Redford, Michigan

Founded: 1937 (Founded as GM Diesel in 1937, becomes Detroit Diesel Engine Division in 1965)

Employees: approx. 2,600

OUR PRODUCTS

**DD15®**

The newly designed DD15 with BlueTec® SCR emissions technology has it all; fuel efficiency, hardcore power and a smooth, quiet, easy ride. With less routine servicing required and longer service intervals, the DD15 is engineered to keep minimize your down time while keeping the cost of ownership in check.

The DD15® TC, the brother of the DD15, utilizes turbo compounding technology to offer many of the same benefits of the DD15 to a variety of trucking applications.

**DD13®**

Fuel-efficient design delivers bottom-line benefits. Engineered specifically for Less-Than-Truckload, Regional Distribution and Vocational applications, the DD13 with BlueTec SCR emissions technology delivers the power and toughness to get the job done.

**DD16®**

The DD16 with BlueTec SCR emissions technology is the biggest, toughest, most powerful on-highway engine to ever roll out of our plant in Detroit, MI. The DD16 delivers the power, fuel efficiency and reliability every trucking operation needs to stay productive. Whether you need the power to haul or the muscle to maul the toughest working conditions, the DD16 truly delivers it all.
BlueTec SCR Emissions Technology

BlueTec is Detroit’s reliable and proven emissions technology for meeting current emissions regulations. BlueTec treats the exhaust gasses downstream of the engine instead of requiring complex changes under the hood. This is accomplished by injecting a smaller dose of diesel exhaust fluid (DEF) into the exhaust stream which reacts with the Nox in the SCR catalyst forming nitrogen and water. The nitrogen and water vapor, both safe elements in the air we breathe, then exit the tailpipe.

Series 60® Tier 3

The Detroit Series 60 Tier 3 engine package is available exclusively for Western Star off-road applications. Heavy Duty Western Star off-road vocational customers find the Series 60 Tier 3 engine instrumental in cutting operational costs, increasing efficiencies and enhancing productivity.

Front Axles

Detroit offers innovative front axle systems that provide better reliability, maneuverability and reduced weight which translates into lower maintenance cost, improved drivability and higher payload.

Single Rear Axles

Single rear axles are significantly lighter than other brands resulting in added fuel efficiency and maximum payload. Precision cut gears ensure a consistent gear mesh resulting in a quieter operation and more efficient power transmission.

Tandem Rear Axles

Innovative and state-of-the-art engineering gives Detroit® tandem rear axles unmatched performance and value. A larger differential, a reduced driveline angle as well as innovative features like the oil slinger lead to greater durability and longevity as well as lower maintenance cost.

DT12™ automated manual transmission

The Detroit DT12 automated manual transmission offers the fuel efficiency of a manual transmission with the ease of use of an automatic in one incredibly designed package. Featuring eCoast and proprietary shift strategies the DT12 delivers impressive fuel economy and allows drivers and fleets to drive safer with less effort.

Detroit Connect

Detroit offers a full suite of telematics products under the Detroit Connect brand. Virtual Technician® On Board Diagnostic System provides real-time service information, taking the guesswork out of engine repair. Visibility Fleet Software delivers up to the minute operating information on your entire fleet. The Detroit™ Connect On-Board Tablet streamlines driver responsibilities and communication. Equipped with our powerful apps, this device can make an immediate impact on your business.
1.4 Daimler Supplier Portal

In order to provide our supplier with globally standardized access to applications and information from Daimler DDC, and Axle Alliance we have aligned ourselves with the Daimler Supplier Portal. With our global and free of charge Daimler Supplier Portal we intend to promote the establishment of consistent communication and industry-wide standards. Our goal is to aid our business partners and ourselves, Daimler, to achieve greater efficiency.

The Daimler Portal is operated by the service provider Covisint, a subsidiary of Compuware. Going forward, the suppliers of our company will utilize this platform to reach the DDC and Axle Alliance applications and additional online information.

Applications on Daimler Supplier Portal:

- **eDocs** is an internet-based system developed to make the exchange of purchasing documents, such as inquiries, orders and contracts including all required attachments, more efficient. Advantages include reduced administrative workload, shorter response times through the offer-order cycle, the possibility of ‘electronic’ archiving pdf-files and the certainty of receipt and delivery thanks to online transmission.

- The **External Balanced Scorecard (EBSC)** is Daimler’s global supplier evaluation tool for continuous assessment of the performance of CURRENT suppliers. Based on our four value drivers (Quality, Supply, Cost and Technology) we are able to offer you more transparency regarding your performance.

  EBSC supports the following:
  - Commodity Strategies
  - Sourcing Decisions
  - Supplier Development Activities

  Please note: Currently only DDC engine suppliers are included in the EBSC process. Axle suppliers will be evaluated for inclusion at a later date.

We request that all suppliers register as users for the Daimler Supplier Portal, eDocs and EBSC within a month of receiving your contract. A supplier must register for each supplier code they use. Please contact your buyer for instructions on how to register.

1.5 Financial Supplier Risk Management

To avoid the interruption of product flow from our suppliers, which could negatively impact manufacturing operations and delivery of product to our customers, DDC practices preventive supplier risk management. To accomplish this, DDC conducts ongoing analysis of suppliers’ financial statements. This effort is supported by Creditreform Rating AG with suppliers being expected to provide information in the form of balance sheets and income statements on an ongoing basis. The data provided by our suppliers will be evaluated exclusively for our benefit and will not be made available to any other suppliers / customers. The original detail will be deleted immediately after the evaluation by Creditreform Rating AG and only summary data will be transmitted to Daimler. Any supplier deemed to be financially distressed may be asked to meet directly with our Finance organization so we can get an understanding of the distress and review the suppliers’ action plans. A supplier may also be asked to provide additional information in the form of a current corporate presentation, including product portfolio, legal structure and customer structure.
2. Purchasing Orders / EDI 862 Shipping Schedule

This section explains in detail the documents required for the proper processing of DDC orders. Specifically, the relevant documents are the purchase contract, purchase order and EDI shipping schedule. There are also specific processes for goods that DDC buys within NAFTA and reships to Daimler AG facilities around the world as we as other Non-Daimler AG Customers via the ex-NAFTA Consolidation Center, which are detailed in this section.

PURCHASE CONTRACT

The Purchase Contract is a general agreement, which stipulates the prices and minimum quantities agreed to by DDC and the supplier. Purchase Contracts are made for recurring requirements, i.e., for parts required on a routine basis. The Purchase Contract expires at the end of the year in which it was issued. It is renewed each January for an additional year unless otherwise determined by the buyer. The buyer generates the purchase contract and sends it, along with a confirmation page for signature, to the supplier. By signing the confirmation page, the supplier commits to supplying the parts in accordance with the purchase contract.

- **Plant 10 Purchase Contract (engines)**
  Production parts ordered for Plant 10 for assembly and/or in-house manufacturing.

- **Plant 12 Purchase Contract (engines)**
  Service parts are ordered for Plant 12.

- **Plant 25 Overseas Purchase Contract (engines)**
  Production parts are ordered for overseas plants and ship via the Ex-NAFTA Consolidation Center.

- **Plant AXLE ALLIANCE-DETROIT Purchase Contract axles**
  Production parts ordered for assembly and/or in house manufacturing.

- **Plant AXLE ALLIANCE-SALTILLO Purchase Contract axles**
  Production parts ordered for assembly

Neither current requirements nor ship dates are included in purchase contracts. That data is provided to the supplier on a weekly basis by means of a separate, dynamic EDI 862 Shipping Schedule Report.

The EDI 862 Shipping Report indicates the requested ship date and quantities to be shipped up to 12 months in advance. Note related Section 2.3.2 “EDI 862 Shipping Schedule”. 

Revised January 2015
**PURCHASE ORDER**

One-time requirements are ordered by means of Purchase Orders. Unlike the purchase contract, the purchase order already includes information about requested quantity to be shipped and date of delivery. Therefore, there is no separate Delivery Requirements Report. The buyer sends the purchase order to the supplier, along with the confirmation page, for signature. The supplier, by signing the confirmation page, commits to supplying the parts in accordance with the conditions stipulated in the order. Purchase orders are only issued in the instances stated below.

- **Spot Buy (engines)**
  The following is ordered with a cbFC spot buy:
  - *Experimental parts for prototype / test engines*
  The followed are ordered via Globus Purchase Order
  - *Tooling*
  - *Services*

- **Plant AXLE ALLIANCE-DETROIT axles**
  The following is ordered with a purchase order:
  - *Experimental parts for prototype / test axles*
  - *Tooling*
  - *Services*

**EDI 862 SHIPPING SCHEDULE**

The 862 Shipping Schedule is transmitted to suppliers via Electronic Data Interchange (EDI). Production schedules can be sent up to five days a week. Service schedules are sent once a week. The specified requirements correspond to the volume of the preceding shipping schedule and are adjusted to reflect any increases or decreases in requirements. The supplier should always use the latest shipping schedule for scheduling. Please note that the EDI 862 Shipping Schedule is a replacement schedule. Suppliers must completely replace the previous schedule once a new schedule is received.

**General Purchasing Contact:** Detroit Office +1-313-592-5362
2.1 Purchase Contracts / Orders

Purchase contracts, production purchase orders and MRO purchase orders all use unique forms. Below is an explanation and sample of each type of contract/order you may receive from DDC.

2.1.1 Purchase Contract

The items below explain the data fields in a purchase contract. The related sample contract follows the key below:

1. Date: Date on which the purchase contract was issued.
2. Contact: Contact data of the responsible DDC buyer.
3. Supplier code: The supplier (vendor) code is a number under which the supplier is listed at DDC.
4. Supplier address: Address of the contract partner.
5. Internal number: An internal document reference number.
6. Purchase Contract conditions: This part of the purchase contract includes important information about contract terms and conditions as well as further relevant information (e.g. about PPAP).
7. Plant: Plant that, in the future, will request the parts specified in the contract.

- At Plant 10: All parts destined for this plant must be shipped to Redford, Michigan, USA. The shipping address is indicated on the EDI 862 Shipping Schedule.
  For this plant, we order: - Production parts for engine assembly
  - Parts for in-house manufacturing

- At Plant 12: All parts destined for this plant must be shipped to Canton, Ohio, USA. The shipping address is indicated on the EDI 862 Shipping Schedule.
  For this plant, we order: - Service parts for DDC service

- At Consolidation Center Plant 25 Overseas Plants: All parts destined for this plant must be shipped to Redford Michigan, USA. The shipping address is indicated on the EDI 862 Shipping Schedule.
  For this plant, we order: - Overseas production parts

- At Plant AXLE ALLIANCE-DETROIT: All parts destined for this plant must be shipped to Redford, Michigan, USA. The Shipping address is indicated on the EDI 862 Shipping Schedule.
  For this plant, we order: - Production parts for axle assembly
  - Parts for in-house manufacturing
- At **Plant AXLE ALLIANCE SALTILO:**
  
  All parts destined to this plant must be shipped to **Saltillo, Mexico.** The shipping address is indicated on the EDI 862 Shipping Schedule.
  
  For this plant, we order: -Production parts for axle assembly

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<tbody>
<tr>
<td>8.</td>
<td><strong>P.O. number:</strong> Number of this purchase contract</td>
</tr>
<tr>
<td>9.</td>
<td><strong>Shipping location:</strong> The shipping location at DDC</td>
</tr>
<tr>
<td>10.</td>
<td><strong>Shipping company:</strong> the Company which delivers the parts</td>
</tr>
<tr>
<td>11.</td>
<td><strong>Item number:</strong> Continuous item number</td>
</tr>
<tr>
<td>12.</td>
<td><strong>Part number:</strong> Part number that, in the future, will be requested by means of the EDI 862 Shipping Schedule</td>
</tr>
<tr>
<td>13.</td>
<td><strong>Part description:</strong> Short description of the part</td>
</tr>
<tr>
<td>14.</td>
<td><strong>Drawing date, chart no:</strong> Drawing date / drawing number</td>
</tr>
<tr>
<td>15.</td>
<td><strong>Price validity:</strong> Price validity (from ... to)</td>
</tr>
<tr>
<td>16.</td>
<td><strong>Part price:</strong> Price per specified unit and currency</td>
</tr>
<tr>
<td>17.</td>
<td><strong>Terms:</strong> Standard terms of payment: <strong>Net 25th following month A/P</strong></td>
</tr>
<tr>
<td>18.</td>
<td><strong>S/Terms:</strong> Standard shipping terms: <strong>Free Carrier, FCA</strong></td>
</tr>
<tr>
<td>19.</td>
<td><strong>Signature:</strong> Signatures of the authorized DDC purchasing personnel</td>
</tr>
<tr>
<td>20.</td>
<td><strong>Confirmation Page:</strong> The page the supplier signs and returns to their buyer agreeing to the order or contract referenced</td>
</tr>
</tbody>
</table>
Sample Purchase Contract

The following conditions apply to all transactions with Detroit Diesel Corporation ("DDC"), Ade Alliance Company LLC ("AAC") and/or any other subsidiaries or affiliates identified herein (each a "Buyer" herein as applicable).

This contract is subject to the standard DDC and/or AAC terms and conditions and any requirements provided in the publication "Doing Business with DDC" and/or AAC, both of which are fully incorporated in their most current version on the Daimler supplier portal https://daimler.portal.cosrsmt.com/web/detroitdiesel/downloads.

In addition, payment of any invoice by Buyer requires the following mandatory information be clearly printed on the invoice: Manufacturer/Seller Name and address, U.S. Importer of Record name and address with tax ID, Consignee name and address, DDC/Daimler/AAC PART #, COUNTRY OF ORIGIN, ENGLISH PART DESCRIPTION, six digit HTS, quantity, unit and total value, and unit weight for each line item. There will be a $100 deposit issued if the required information is not complete on any commercial invoice submitted to Buyer. This is in addition to any storage fees incurred by Buyer due to lack of proper documentation during the U.S. Customs entry process.

Buyer’s purchase contract is not binding until accepted by Seller. Acceptance should be executed on the acknowledgment page of purchase contract that must be returned to Buyer. However, the supply of services or the shipment of goods will also constitute Seller’s acknowledgment and acceptance of Buyer’s purchase contract terms and conditions. Attached are the standard terms and conditions to which Seller agrees by acceptance of the contract. The contract, including the standard terms and conditions and any clauses or signed documents referenced in an contract, contains the complete and final agreement between Buyer and Seller and no other agreement modifying the terms and conditions is binding upon Buyer unless made in writing and signed by the Buyer’s authorized representative.

Supplier must comply with the requirements specified in Buyer’s packaging and shipping instructions manual and AIA’s Production Part Approval Process (PPAP) manual. All required elements of the Production Part Approval Process (PPAP) must be submitted to Buyer in the English language. Please see Buyer’s PPAP submission level and any additional requirements or instructions. Buyer requires its suppliers to establish and maintain a calibration system to control the accuracy of measuring and test equipment used as a media of acceptance of product parts and material.

Supplier shall be certified to current ISO/TS 16949: technical specification. If Supplier is certified to any standard other than ISO and/or TS 16949 and shall have an action plan to transition to the ISO and/or TS 16949 and/or have a customer and/or organization waiver excluding them from this requirement. Supplier that are not certified by a third party to the ISO 9001:2008 must go through the company’s supplier development process with the goal of conformity to ISO/TS 16949:2008 technical specification.

Supplier acknowledges that DDC is purchasing goods hereunder for resale to its parent company Daimler AG (hereinafter referred to as “DAG”) and that DAG is a third party beneficiary of this Agreement. If delivery is delayed and Supplier is in default, Supplier shall be liable for any additional freight costs for dispatch to DAG. The receiving area for deliveries whose final destination is DAG shall be stated on the relevant EDI releases of DDC. Goods are to be delivered in accordance with these shipping instructions.

Applicable to plants / affiliates

GLG Germersheim. Items for this plant belong to PO Number 1000353 and have to ship to DOCK25 DOCK 25.

Detroit Diesel Corporation will pay any applicable State of Michigan sales tax under #38-2772023
Appendix:
- Attachment: "GBA"

<table>
<thead>
<tr>
<th>Item</th>
<th>Code no. ES1-ES2-ZGS / Description / Dimensions / Deadlines</th>
<th>BFO or Contract ID / Line#</th>
<th>Price/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Sample Part #</td>
<td>1111111111 / 1.00</td>
<td>per 1 Piece xx.xx USD</td>
</tr>
<tr>
<td></td>
<td>Description</td>
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<td>1.00</td>
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<td></td>
<td>Drawing number</td>
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<td>12</td>
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<td></td>
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<td>------------</td>
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<tr>
<td>13</td>
<td>Price valid: 07/09/2013 - 12/31/2013</td>
<td>1111111111 / 1.00</td>
<td>per 1 Piece xx.xx USD</td>
</tr>
<tr>
<td>15</td>
<td>Surcharge</td>
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<td>1.00</td>
</tr>
<tr>
<td>16</td>
<td>Total</td>
<td></td>
<td>xx.xx USD</td>
</tr>
</tbody>
</table>

17 The following conditions apply to all items unless a differing description is given.
Payment: NET 25TH FOLLOWING MONTH
Delivery: FCA (Incoterms 2010) [named place]
Named place: Sample Company.

18 

Detroit Diesel Corporation

19 signed: DDC Purchasing Manager signed: DDC Purchaser

This document was created electronically and is valid without signature.
We supply and you purchase according the purchase contract

Number: 1111111111
dated 08/13/2013

the deliveries / services detailed under item(s) 1.00.
The prices, specifications, terms and conditions agreed with you in this purchase contract shall apply to all deliveries / services provided within the periods stated therein.

Place, Date Signature of supplier
2.1.1.1 Plant 12 / Supply of Spare Parts (engine parts only)

Products currently used in production or placed into production and sold by suppliers to DDC for the repair or replacement market will be priced to DDC at the same price specified for the production parts plus any incremental costs associated with packaging. DDC will, as needed, validate packaging costs and may work with supplier to ensure that packaging costs are appropriate.

In the case of single parts needed from an assembly, the sum of the price of all sub-components, excluding packaging, for any given assembly shall not exceed the price of the assembly itself. The price of the spare part is determined by breakdown, deducting assembly cost from the price.

Parts phased out of production are to be offered on a continuing basis to the DDC repair or replacement market at the original production price level for at least three years after the date of last use in production, taking into consideration the cost of manufacturing and providing product on an “as needed” basis with no minimum purchase quantity or price breaks. Suppliers will be expected to enter into a long term agreement (LTA) for post-production parts and service only parts that will provide a commitment to competitive pricing and delivery performance for the term of the agreement. Any agreed upon prices will take effect with a minimum 90 day delay from the date of final agreement. Price reductions are permitted with no notification to adjust to changing market conditions.

Supplier shall maintain availability of the Products for repair or replacement market requirements for a minimum of 20 years (25 years if the part is used for fire truck and apparatus or school bus chassis) following cessation of production use of each Product. If the technical specifications of spare parts deviate from the series part it is required that suppliers provide detailed service part breakdowns including adequate documentation such as pictorially accurate exploded views (preferred) or line art, matched with service part numbers.

DAIMLER shall have the exclusive right to remanufacture the Product. If DAIMLER elects to remanufacture the Product, Supplier will grant a royalty-free non-exclusive non-transferable license to use Supplier’s technical information and supply sources to remanufacture the Product. Supplier agrees to sell component parts to DAIMLER needed to remanufacture the Product at production pricing.

Supplier shall provide DAIMLER parts with no vendor branding following the global guidelines:

- Permanent identification markings are restricted to Daimler brands as determined by Daimler aftermarket marketing. Vendor brands are not permitted unless expressly approved by Daimler aftermarket marketing. Daimler aftermarket marketing along with engineering reserve the right to omit permanent identification for parts that are common across Daimler brands
- Components or assemblies of supplier originated design may not have their trademark or code located by the supplier unless expressly approved by Daimler aftermarket marketing. In instances where approved, the Daimler identification marking(s) should be located in the same vicinity
2.1.2 Non-Production Material or Service Purchase Order

Non-Production Purchase Orders come from the Detroit Diesel International Procurement Services (IPS) Department. The procurement process at Daimler Detroit Diesel for selecting suppliers is, in part, based on energy performance.

The items below explain the data fields in a non-production material or service purchase order. The related sample ordering form can be found following the key.

1. **Our number:** Purchase order number
2. **Date:** Date on which the purchase order was issued
3. **Contact:** Contact data of the responsible buyer
4. **Supplier code:** Supplier code is a number under which the supplier is listed at DDC
5. **Supplier address:** Address of the order partner
6. **Internal number:** An internal document reference number (ENGINE PARTS ONLY)
7. **Purchase Order conditions:** This part of the purchase order includes important information about our purchase order terms and conditions as well as further relevant information
8. **Shipping location:** The shipping location at DDC
9. **Invoice to:** The address invoices should be sent to
10. **Item number:** Sequential B-9 part number that must be referenced on the packing list
11. **Item description:** Short description of the item
12. **Quantity/Unit:** How many are being ordered and what measure (i.e. each, lot, dozen, etc.)
13. **Item price:** Price per specified unit and currency
14. **Payment Terms:** Standard terms of payment: Net 25th following month or Net 45
15. **Delivery Terms:** Shipping terms: e.g., Collect (FCA), Pre-pay (DDP), etc.
16. **Signature:** Signatures of the authorized Detroit Diesel purchasing personnel
17. **Confirmation Page:** The page the supplier signs and returns to their buyer agreeing to the order or contract referenced (DDC sample confirmation page on page 13)
**Sample DDC Plant 15 (engines only) Purchase Order**

**DAIMLER**

Daimler Purchasing Coordination Corp.

One Mercedes Drive, Montvale, NJ 07645

<table>
<thead>
<tr>
<th>MAC CONNECTION INC.</th>
<th>SC: 15611111</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mary S.</td>
<td></td>
</tr>
<tr>
<td>730 MILFORD CT</td>
<td></td>
</tr>
<tr>
<td>Atlantic City NJ 07110 USA</td>
<td></td>
</tr>
</tbody>
</table>

**Purchase Order**

<table>
<thead>
<tr>
<th>Purchase Order Number</th>
<th>Date</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>111111</td>
<td>29.2014</td>
<td>IPS/414</td>
</tr>
</tbody>
</table>

**Contact Information**

| E-Mail address | Kate.jones@daimler.com |

This Purchase Order is issued by Daimler Purchasing Coordination Corp. ("DPCC") on behalf of the "Requesting Party" below.

This Purchase Order is subject to the General Terms and Conditions attached hereto unless DPCC and Supplier have entered into a master agreement that specifically replaces such General Terms and Conditions.

Supplier’s acceptance or acknowledgement of this Purchase Order, commencement of performance, or acceptance of payment constitutes Supplier’s acceptance of all terms and conditions under this Purchase Order.

All rights, duties and obligations under this Purchase Order and Agreement are exclusively between the Requesting Party and Supplier.

Please direct any inquiries to the DPCC buyer. Contact information can be found in the upper right hand corner.

All invoices must contain the following information to be processed for payment:

- Purchase Order number
- Supplier point of contact
- Invoice number
- Invoice date
- Total payment amount
- Proper remit to address
- Detailed description of goods or services provided, including: quantity, per unit prices, description
- Submitted on supplier invoices or letterhead format
- Proper bill to address (with company name, attention employee name, then physical address)

Detroit Diesel Corporation ("Requesting Party")

The following conditions apply to all items unless specified otherwise in this contract.

This order is subject to the standard Detroit Diesel Corporation purchase order terms and conditions and any requirements provided in the publication "Doing Business with DDC", both of which are fully incorporated in their most current version.

You may deliver part(s) by personal representative or follow DDC Transportation routing instructions.

Send Invoices to:

APHelp@daimler.com (IN PDF FORMAT ONLY, 1 INVOICE PER PDF FILE)

If you're unable to email your invoices and/or statements, please mail them to the below address as a last resort only:

Detroit Diesel Corporation
PO Box 5936
Troy, MI 48007-5936

Discharge point / shipping address:

Detroit Diesel Corporation Attn: Bob Smith 313-592-1111, Outer Drive West, 48239 Detroit

Date arrangements and technical further inquiries to:

White, Sam, TN/OC, phone: +1 704-111-1111, E-mail address: sam.white@daimler.com.

Please see attached quote for details: PCC 8040938339
Appendix:
- Attachment: GBA
- Attachment: SOW
- Attachment: MSA

<table>
<thead>
<tr>
<th>Item</th>
<th>Code no. ES1-ES2-ZGS / Description / Dimensions / Deadlines</th>
<th>Quantity/Unit</th>
<th>Price/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>B 999700217461 ---- Laptop</td>
<td>5 EACH/one-time</td>
<td>per 1 Piece 796.83 USD</td>
</tr>
</tbody>
</table>

Detroit Diesel Corporation, Date of delivery: 05.29.2014

The following conditions apply to all items unless a differing description is given.
Payment: voice payment is due within 30 days from which the bill was invoiced.
Delivery: FOB
Packaging: included
Return: none, customer reserves the right to return packaging

Daimler Purchasing Coordination Corp.

Kate Jones

This document was created and approved electronically by the person(s) name above and is valid without physical signature
**Sample Axle Alliance Purchase Order**

---

**Axle Alliance Company**
13400 Outer Drive
West / Detroit
Michigan 48236-4001

**Vendor Address**
SAMPLE COMPANY
1234 AVENUE
ANYWHERE 00000
COUNTRY

**Shipping Address**
Detroit/Redford Plant
M-16 Building, Dock #3
13400 Outer Drive West.
Detroit, MI, 48239, US

---

**Purchase Order**

<table>
<thead>
<tr>
<th>Item</th>
<th>Material/Description</th>
<th>Quantity</th>
<th>UM</th>
<th>Net Price</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>4230 Axle Housing w/ new snorkel design</td>
<td>10.00</td>
<td>EA</td>
<td>450.00</td>
<td>4,500.00</td>
</tr>
</tbody>
</table>

---

This order is not binding until accepted. Acceptance should be executed on an acknowledgement copy which must be returned by Buyer. Attached hereof are the terms and conditions to which Seller agrees by acceptance of order. This order including the terms and conditions on the face and reverse side hereof contains the complete and final agreement between Buyer and Seller and no other agreement is any way modifying any of the said terms and conditions will be binding upon Buyer unless made in writing and signed by the Buyer's authorized representative.

---

*Axle Alliance Company will pay any applicable State of Michigan sales under account #38-3603967*
2.1.3 MRO MAXIMO Purchase Order

AIAG Labels are REQUIRED for all incoming MRO products. For more info regarding the AIAG Labels please contact:

Mickey Wegienka (MRO Supervisor)
1-313-592-7064
Mickey.Wegienka@daimler.com

Purchase Order:

The items below explain the data fields in a MRO Plant 15 MAXIMO Purchase Order. The related sample ordering form can be found following this key.

1. **Purchase Order:** Purchase order number. Must appear on Packing Slips and Invoices
2. **Date of issue:** Date on which the purchase order was issued
3. **Supplier code:** The supplier code is a number under which the supplier is listed at DDC. The address is where purchase orders will be sent
4. **Buyer:** Name, phone, and e-mail of the buyer who created the purchase order
5. **Ship To and Invoice To:** The shipping location and where to mail invoices at DDC
6. **Purchase Order terms:** This part of the purchase order includes important information about our purchase order payment and shipping terms
7. **Description:** Line number, quantity and short description of the item
8. **Cost:** Unit and total line cost
9. **Total Cost:** Total cost of the order
10. **Purchasing Dept.** Signature of the buyer who created the purchase order
11. **Confirmation:** Supplier signature line acknowledging receipt of the purchase order and agreement to the terms with promised delivery date. Confirmation of Acceptance or Rejection must be received within 2 business days.
12. **Required by Date:** Date that the material is required to be delivered on or before
# Purchase Order

**PO#: M114320**  
**Type: STD**

**Date of Issue:** 09/28/2012

**Vendor:** 35839  
**Attention:** OILSTR

**Contact Information:**  
Phone: 248-549-2650  
Fax: 248-549-3409

**Ship To:**  
Detroit Diesel Corporation  
Oil Stores, 12200 Telegraph Rd  
Redford, MI 48249  
Attention: OILSTR

**Invoice To:**  
Detroit Diesel Corporation  
PO Box 6939  
Troy, MI 48097-6939  
Attention: OILSTR

<table>
<thead>
<tr>
<th>LN.</th>
<th>Qty</th>
<th>UM</th>
<th>Item#</th>
<th>Description</th>
<th>Required Date</th>
<th>Tax</th>
<th>Unit Cost</th>
<th>Line Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>60</td>
<td>RL</td>
<td>00900139</td>
<td>BAG, VCI-126 (60&quot; X 50&quot; X 50&quot; 6MIL) FERROUS 15 BAGS / ROLL</td>
<td>10/11/2012</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>2</td>
<td>8</td>
<td>CA</td>
<td>02Y00120</td>
<td>FOAM VCI Emitter Pad, VPCI 132, 10&quot; x 10&quot; x 1/8&quot; (250 PER CASE)</td>
<td>10/11/2012</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Remarks:**  
Mfg: CORTEC  
Mfg#: VCI-126  
Cat#: VPCI 132

**Total Line Cost:** 0.00  
**Total: 0.00**

**PO Total Cost:**

---

**IMPORTANT REQUIREMENTS - PLEASE READ**

DDC requires return confirmation of all purchase orders (within 24 hours). If required delivery date is not attainable; please advise expectant date of fulfillment. Discrepancies (pricing, part number, quantity, color & etc...) require immediate action. Please contact the Buyer (Name & Phone listed on the PO). Fax Information to: 313-592-8185 or Email the Buyer. By Accepting and Delivering this Purchase Order you have agreed to the Price, Date, and Terms listed on this order.

**Please advise of changes or updates regarding Company Information**

---

**Purchasing Dept. Signature:**  
**Date:**  
**Confirmed By:**  
**Vendor Promise Date:**  
**Sep 27, 2012 11:26 AM**
2.1.4 Tooling

2.1.4.1 Tooling Orders

To maintain compliance with governmental regulations and internal controls, DDC is required to tag and verify all tooling over a 3-year period. DDC has engaged a third party to contact vendors and ensure that all tools are tagged and verified in a timely manner. All new tools are tagged quarterly and then verified during every subsequent 3-year cycle until disposed of.

Suppliers should expect to receive a letter similar to the one below, in reference to tooling.

To Detroit Diesel Corporation Suppliers:

Detroit Diesel Corporation ("DDC") has implemented procedures designed to properly track fixed assets and ensure continued compliance with established internal control requirements. An important initiative developed for the purpose of validating fixed asset information is the physical tagging of DDC owned assets located at vendor facilities. DDC owned assets located at your facilities may include tooling or machinery and equipment used to manufacture DDC products. As such, DDC has hired RYAN, a corporate tax consulting firm, to coordinate efforts for this fixed asset tagging initiative to ensure assets owned by DDC are properly accounted for.

In order for this project to be successful, DDC is asking for your help by physically tagging its fixed assets currently located at your facility. [.....]

Please use this letter as authorization to release fixed asset information to RYAN. If you have questions that you would like to address to DDC, regarding engine parts, prior to your discussions with RYAN, please call Lan Chen, Senior Accounting Analyst, at (503) 745-7060. If you have questions that you would like to address, regarding axle parts, prior to your discussions with RYAN, please call Tonia Lowery, Financial Analyst, at (313) 592-5317.

Thank you in advance for your assistance with this important initiative.

Sincerely,

Jackie Cochran  
Asset Accounting Supervisor  
Daimler Trucks North America LLC  
Dan O’Connell  
General Accounting Manager  
Detroit Diesel Corporation
2.1.4.2 Tooling Shot Counters

DDC reserves the right to implement shot counters on both new and existing company owned vendor tools. The installation cost of the counter will be a part of the total tooling cost. The counter will be provided by DDC and sent to the supplier (Tier 1). The supplier will be responsible for ensuring proper installation and functionality of the counter, both of which will be reviewed during PPAP. The supplier must also ensure the counter avoids damage. Any damages should be reported to DDC Purchasing immediately. DDC reserves the right to access the counter at any time. If a tool is scrapped, the shot counter must be sent back to DDC.

2.1.4.3 Scrap Tooling

If there is tooling that a vendor wishes to scrap, authorization must be provided by the DDC buyer prior to scrapping of the tool. The supplier must provide the DDC buyer a copy of the scrap form below. After the tooling has been scrapped, the supplier needs to provide the DDC buyer with a copy of the scrap ticket/receipt for proof of disposal.

<table>
<thead>
<tr>
<th>DDC Tooling Scrap Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reason for scrapping of the tooling?</td>
</tr>
<tr>
<td>2. Asset number(s) of the tooling?</td>
</tr>
<tr>
<td>3. Part number(s) that the tooling makes?</td>
</tr>
<tr>
<td>4. Physical address of the tooling?</td>
</tr>
<tr>
<td>5. Proposed timing of when the tooling is to be scrapped?</td>
</tr>
<tr>
<td>6. Estimated cost/profit to scrap tooling?</td>
</tr>
</tbody>
</table>

Note: Address all questions and return these document/photos to the responsible DDC buyer.

Date: ___________________
2.2 eDocs

eDocs allows purchasing documents such as inquiries, orders or contracts originating from the DDC purchasing system to be exchanged over the Internet with any required file attachments. Using secure functions, suppliers can confirm receipt of documents and acceptance of content or reply to inquiries with an online quote.

Access to eDocs is supplied via the Global Daimler Supplier Portal in Covisint. An application is provided including a neutral log-in procedure with administrative functions for business partners.

Some of the advantages of using eDocs are:

- Paperless contracting
- Confirmation of receipt and delivery based on online transmission
- Reduction of administrative workload
- Immediate notification of new parts on a contract
- Reduction of invoice discrepancies which can be caused by delayed reviews of pricing agreement

The use of eDocs is free of charge to our business partners. In order to become activated for eDocs transmissions, please contact your purchasing agent to receive the required documentation and instructions.

2.3 Shipping Schedule

2.3.1 Electronic Data Interchange (EDI)

All DDC suppliers are required to establish an Electronic Data Interchange (EDI) connection and implement all EDI transactions as required by DDC. Suppliers will incur all costs associated with the implementation of EDI and all required transactions.

DDC utilizes EDI standards developed by the Automotive Industry Action Group (AIAG) and the American Standards Institute (ANSI) Subcommittee X12. All EDI transactions will be exchanged by way of T-Systems. DDC’s current mandatory transaction sets are:

Production and Service

<table>
<thead>
<tr>
<th>Transaction Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>204</td>
<td>Motor Carrier Load Tender</td>
</tr>
<tr>
<td>824</td>
<td>Application Advice</td>
</tr>
<tr>
<td>862</td>
<td>Daily / Weekly / Monthly release</td>
</tr>
<tr>
<td>990</td>
<td>Response to a Load Tender</td>
</tr>
<tr>
<td>997</td>
<td>Functional Acknowledgements</td>
</tr>
</tbody>
</table>

Non-Production

<table>
<thead>
<tr>
<th>Transaction Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>850</td>
<td>Purchase Order</td>
</tr>
<tr>
<td>855</td>
<td>Purchase Order Acknowledgement</td>
</tr>
</tbody>
</table>
Please note that additional transaction sets may be required in the future. Detroit will be posted at https://extranet.detroitdiesel.com/supplier when they become available.

Each DDC supplier is required to participate in this program to receive Material Releases and transmit 856 ASNs when each shipment leaves their dock. Suppliers will have multiple options.

### 2.3.1.1 Traditional EDI

DDC will exchange EDI transactions via T-Systems (EDICS). All Trading Partners / Suppliers will be required to connect to T-Systems for all EDI communication.

Please note the following:

**Direct Connects (SFTP, OFTP or AS2 protocols) and VAN Connections**

To get contact information, download required EDI guidelines or information on T-Systems protocols go to the following link:

https://extranet.detroitdiesel.com/supplier

**EDI addresses (Qualifier and ID) will be as follows**

DDC’s (engine parts) EDI address is: ZZ:DDC63001

Axle Alliance’s EDI address is: ZZ:AAC01100

The Supplier EDI address is: ZZ:DDC (followed by the supplier’s 4 or 5 digit “Supplier Code”)

The Supplier EDI address is: ZZ:AAC (followed by the supplier’s 8 or 9 digit “SAP Vendor Code”)

- If you do not know your “SAP Vendor Code”, contact Axle Alliance at one of the phone numbers provided at the end of section 2.3.1.3.

When the supplier has decided on their connection the supplier needs to fill out the “Set Up Profile Form”. This form should be emailed to edi.hotline@t-systems.com and copy edi-supplier@daimler.com.

**A. Direct Connects:**

- T-Systems EDI Support will configure the EDI Switch (NGE) and emails the Suppliers EDI Contact the direct connect set-up profile documents and copies DDC/Axle Alliance (edi-supplier@daimler.com and ddc.edi.support@daimler.com)

- Upon receipt of the direct connect set-up document, the Supplier fills out the document and emails it back to edi.hotline@t-systems.com and copies DDC/Axle Alliance (edi-supplier@daimler.com and ddc.edi.support@daimler.com)

- Once T-Systems EDI Support receives the set-up document they will coordinate with the Supplier physical connection and loopback testing

- When completed T-Systems EDI Support will email “EDI set-up confirmation to DDC/Axle Alliance (edi-supplier@daimler.com and ddc.edi.support@daimler.com)

- Upon receipt of “EDI set-up confirmation” we will do our set up at DDC/Axle Alliance and email ASN testing information to the Supplier

**B. VAN Connections:**

- Contact VAN and make the connections.
- Upon receipt of the “Setup Profile Form”, T-Systems EDI Support configures the EDI Switch (NGE) and emails “EDI set-up confirmation” to Suppliers EDI contact and copies DDC/Axle Alliance (edi-supplier@daimler.com and ddc.edi.support@daimler.com).
- Upon receipt of “EDI set-up confirmation” we will do our set up at DDC/Axle Alliance and email ASN testing information to the Supplier.

2.3.1.2 EDI Service Bureau

DDC has certified the following EDI Service Bureau that offers a range of solutions to satisfy the EDI requirements:

J-Com EDI Services
Mike Benning
(+1) 520-352-3200 Phone
(+1) 520-352-3206 Fax
sales@j-com.com

2.3.1.3 GXS TradeWeb Service (web-based EDI)

DDC has endorsed GXS to provide TradeWeb Service, a web-based EDI solution to satisfy DDC and Axle Alliance requirements. GXS TradeWeb was designed by GXS and Daimler to make it easy for all suppliers to meet DDC and Axle Alliance EDI compliance requirements. GXS TradeWeb is an affordable EDI solution that makes it easy to trade electronically, requiring only a personal computer, a standard Internet browser and a modem.

GXS TRADEWEB REGISTRATION INSTRUCTIONS

Note: Be aware that you may have more than one DDC supplier code. You must complete a separate TradeWeb registration for each of your supplier codes. (Example: If you have 3 supplier codes, you must begin with item 2 below and complete the New User Sign-Up process 3 times.) We suggest you use your supplier code as your “Log-in Name” which you will be asked to pick during the registration process.

Note: For Axle Alliance parts it is suggested that you use your “SAP Vendor Code” as your “Log-in Name” which you will be asked to create during the registration process.

1. Log onto the following website: http://gxstradeweb.gxsolc.com
2. Select “New User Sign-Up” Link
3. When prompted, enter a memorable User Login ID and Password since you will need this information to log-into TradeWeb. See screen shot below.
4. Complete registration Steps, 1-8. In Step 5: the Access code is DetroitDiesel (case sensitive, Ds are in capital letters, and one word with no spaces.).
5. Important: After completing your GXS TradeWeb online registration, a password is required to access DDC’s documents. To obtain this password, please do the following:
Call 1-800-474-2694
Press 1 for New Accounts
Press 2 for Payment Issues
Press 3 for Technical Support

Go to http://gxstradeweb.gxsolc.com,
Click on Customer Support
Then click on GXS support center to obtain the phone number to call your local support center.

Should you have any questions regarding the three options above, you may contact a DDC EDI representative at: edi.supplier@daimler.com.

You may speak to the following GXS representatives to discuss your various options for becoming compliant as well as other services that may benefit your company, including Transaction Delivery Services, data transformation software and integration solutions. Please reference the correct Program (DDC / Axle Alliance).

2.3.2 EDI 862 Shipping Schedule

Requirements for Plant 10, Plant 12, Plant 20, and Plant 25 blanket orders are reported by means of a dynamic EDI 862 Shipping Schedule. These reports are accessed via Electronic Data Interchange (EDI). See section 2.3.1 for EDI Connection Information. Since EDI 862 Shipping Schedule is dynamic, every supplier is expected to view their schedules each time new schedules are transmitted. Please note that the EDI 862 shipping schedule is a replacement schedule. Suppliers must completely replace the previous schedule once a new schedule is received.

Each of our suppliers is assigned to one of our Schedulers in Supplier Management. The job of the Scheduler is to assure the efficient supply of parts to DDC / Axle Alliance while at the same time, as your contact person, handle any questions you may have regarding the 862 Shipping Schedule (quantities to be shipped/ship dates).

An overview list of our Supplier Management Team can be found at the end of this section. Also, the Scheduler’s name shows on the 862 Shipping Schedule. You can use this overview list to determine which Scheduler is responsible for handling your matters.

Actions to be taken by you after receiving the EDI 862 Shipping Schedule:

- Verify whether the ship dates and quantities to be shipped, as requested by us, can be met. The date represents ship date and not dates of arrival. The carriers that should be used can be found in Section 7. “Transportation / Logistics“.
- Confirm to your Scheduler via phone or email that the dates and quantities specified in the 862 Shipping Schedule are being met. Transmit an 856 Advanced Ship Notice when parts are shipped.
- Should you not to be able to comply with the dates and quantities specified, please immediately contact your Scheduler to discuss alternatives.
- If you should discover that an extreme variation in dates or requirements is occurring, again, contact your Scheduler. Your Scheduler will then inform you of what is happening.
SHIPPING SCHEDULE INSTRUCTIONS

1. No part can be invoiced at a higher price than shown on the purchase order unless authorized by the buyer.

2. No quantities in excess of amounts specified will be accepted. Please consult your DDC/Axle Alliance scheduler regarding established minimum quantities.

3. Quantities in the first eight weeks are for fabrication. All quantities shown after the first eight weeks are for planning purposes only.

4. The Latest Shipping Schedule received by the supplier supersedes all former Shipping Schedules.

5. Ship all material to the addresses and dock code as designated in the Ship to Location and Ship to Dock fields on the Shipping Schedule. Addresses and dock codes are indicated below:

<table>
<thead>
<tr>
<th>Plant</th>
<th>Ship to Location Code</th>
<th>Dock</th>
<th>Ship to Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redford Operations</td>
<td>1100</td>
<td>3</td>
<td>Dock 3 Axle Alliance Docks 12200 Telegraph Redford, MI 48239</td>
</tr>
<tr>
<td>Redford Operations</td>
<td>10 63001</td>
<td>6</td>
<td>Dock 6 Detroit West Dock 12200 Telegraph Redford, MI 48239</td>
</tr>
<tr>
<td>Redford Operations</td>
<td>10 63001</td>
<td>1</td>
<td>Dock 1 Detroit North Dock 12200 Telegraph Redford, MI 48239</td>
</tr>
<tr>
<td>Redford Operations</td>
<td>10 63001</td>
<td>7</td>
<td>Dock 7 Detroit Non-Pro Dock 12200 Telegraph Redford, MI 48239</td>
</tr>
<tr>
<td>Redford Operations</td>
<td>10 63001</td>
<td>Butler</td>
<td>Dock Butler Butl-inland DDA 13015 W Custer Avenue Butler, WI 53007</td>
</tr>
<tr>
<td>Redford Operations</td>
<td>10 63001</td>
<td>SLC</td>
<td>SLC Southern Logistics Center 3550 Westinghouse Blvd Charlotte, SC 28273-6522</td>
</tr>
<tr>
<td>Canton Warehouse</td>
<td>12 44707</td>
<td>9</td>
<td>Dock 9 Detroit Service/PDC 515 11th St SE Canton, OH 44707</td>
</tr>
<tr>
<td>Canton Warehouse</td>
<td>12 44707</td>
<td>Reman East</td>
<td>Reman East Detroit Reman East ST RTE 209 Cambridge, OH 43725</td>
</tr>
<tr>
<td>DDR Central</td>
<td>17 Do not send ASNs</td>
<td>Reman Central</td>
<td>Reman Central Detroit Reman Central 840 Overlander Emporia, KS 66801</td>
</tr>
</tbody>
</table>
6. In the event regular shipments have not been made as requested, all excessive transportation charges must be assumed by the seller.

7. All rejected material will be returned for full credit. Replacement shall apply against the existing order as shown on the Shipping Schedule. Do not assume that items returned for credit are required by DDC. Adhere to the Shipping Schedule.

8. Upon receipt of each new Shipping Schedule, check Last Receipt Date, Last Receipt Quantity, and YTD Receipts with your figures and advise immediately of any discrepancy.

9. This Shipping Schedule is subject to the terms and conditions of the purchase order numbers shown on the Shipping Schedule.

10. When a schedule change is reflected on the Shipping Schedule, DDC will assume that you have adjusted your schedules accordingly unless you have advised DDC within 7 days to the contrary.

11. Material is expected to be delivered within the schedule period. If the date on the Shipping Schedule will not be met, advise your DDC scheduler immediately.

Supplier Management

Chris Ellswood (+1) 313-592-7793 christopher.ellswood@daimler.com
Daniel Hogan (+1) 313-592-5868 daniel.hogan@daimler.com
Jason Squashic (+1) 313-592-9836 jason.squashic@daimler.com

Team 1: Base Engines

Frank Kortsch – Supervisor (+1) 313-592-5868 francis.kortsch@daimler.com
Nicholas Bart  
(+1) 313-592-9847  
nicholas.bart@daimler.com

Nicholas Polidori  
(+1) 313-592-7246  
nicholas.polidori@daimler.com

Team 2: Accessories
Nicole Rankin – Supervisor  
(+1) 313-592-7215  
nicole.rankin@daimler.com
Charlotte Hamilton  
(+1) 313-592-7215  
charlotte.hamilton@daimler.com
Charles Hicks  
(+1) 313-592-5128  
charles.hicks@daimler.com

Team 3: Electronics / Fuel Systems
John Chorkey Jr. – Supervisor  
(+1) 313-592-5972  
john.chorkeyjr@daimler.com
Tom Herbel  
(+1) 313-592-5419  
thomas.herbel@daimler.com
Charlene Scyzoryk  
(+1) 313-592-7231  
charlene.scyzoryk@daimler.com

Team 4: Air / Exhaust
Jim Biddinger – Supervisor  
(+1) 313-592-5787  
james.biddinger@daimler.com
Jason Stephens  
(+1) 313-592-7125  
jason.stephens@daimler.com

Team 5: Front / Rear Axles
Chad Taylor – Supervisor  
(+1) 313-592-5284  
chad.taylor@daimler.com
Jay Myrand  
(+1) 313-592-9796  
jay.myrand@daimler.com
Douglas Smith  
(+1) 313-592-7588  
douglas.smith@daimler.com
Brian Atkinson  
(+1) 313-592-5153  
brian.atkinson@daimler.com

Team 6: Network Planning
James Baker – Supervisor  
(+1) 313-592-5153  
James-douglas.baker@daimler.com
Morgan Graham  
(+1) 313-592-3790  
morgan.graham@daimler.com
Jay Myrand  
(+1) 313-592-9796  
jay.myrand@daimler.com

Product Distribution: MBE 900 & MBE 4000 & HDE & Axle
James French (Shipping Days)  
(+1) 313-592-7790  
james.french@daimler.com
Justin Byrd (Shipping Afternoons)  
(+1) 313-592-7790  
justin.byrd@daimler.com
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(+1) 313-592-5842  
eyse.finnegan@daimler.com
2.4 Detroit Diesel Redford Consolidation Center - CC ex NAFTA

As part of Daimler’s global supply chain, DDC’s Redford facility has set up a Consolidation Center (CC) ex NAFTA to reship parts produced by NAFTA Suppliers. These parts are shipped to various Daimler AG facilities around the world as well as other Non-Daimler AG Customers.

EDI Requirements

In accordance with DDC’s Purchasing Contract, it is a business requirement for suppliers to utilize EDI. The CC ex-NAFTA (Plant 25) requires all suppliers to comply with the following EDI transaction sets.

EDI 862 Shipping Schedule
EDI 824 Application Advice
EDI 856 Advance Ship Notice (ASN)
EDI 997 Functional Acknowledgement
EDI 864 Text Message

Ship to Location

The CC ex NAFTA will be located at the following address:

12200 Telegraph Road
Redford, MI 48239
Dock 25

This ship-to location will be referenced within the EDI shipping schedules and will be noted with a dock ship-to code of: DOCK 25

Please note: The address above is the same shipping address as DDC’s Engine Production Facility (Plant 10, DOCK 6). Many of the parts your company currently ships to DDC’s Engine Production Facility (Plant 10, DOCK 6) will also be shipped to CC ex NAFTA (Plant 25, DOCK 25). It is important that your company does NOT pack DDC Plant 10, Plant 25 and Axle Alliance parts on the same shipping skid. Parts for DDC Plant 10, CC ex NAFTA Plant 25, and Axle Alliance MUST be packed separately. Please see Packaging and Packaging Criteria below.

Shipping Documentation

As noted above, DDC Plant 10, CC ex NAFTA Plant 25 and Axle Alliance parts need to be packed separately. To avoid confusion and to ensure prompt receipts / payments, etc., it is also extremely important that all DDC Plant 10, CC ex NAFTA Plant 25 and Axle Alliance shipments have separate Bills of Lading and Packing Slips that clearly identify the appropriate receiving dock / address.
Shipments for DDC engine production in Plant 10 require a dock code of DOCK 6. Shipments for the CC Ex NAFTA in Plant 25 require a dock code of DOCK 25.

Packaging and Packaging Criteria

Specific part(s) will require a Packaging plan that meets CC Ex NAFTA (Plant 25) requirements and must be appropriate for expendable, overseas shipments. This packaging will be different from your DDC plant 10 or Axle Alliance packaging and MUST be suitable for ocean shipments and have corrosion preventative attributes as agreed to with your DDC Packaging Engineer. Please prepare your packaging plan including any required internal dunnage and submit it to DetroitPackaging@daimler.com (DDC Packaging Dept.) for approval. To assist you, please refer to the Packaging section of this document. This section will provide guidance on acceptable packaging sizes and requirements. Packaging must be approved by DDC prior to implementation to the Consolidation Center. Your approved Packaging Data Sheet Proposal must be included in your packaging quote to your Buyer for inclusion in your contract.

Labels for individual boxes and master packs must be placed in designated areas. Additional information on DDC labeling requirements can also be found in Packaging section of this document.

We ask as an additional ongoing requirement when shipping your product to the CC ex NAFTA (Plant 25, DOCK 25) that you attach an 8 ½ x 11 copy of the Plant 25 Delivery Sign to two sides of each shipping skid of material (see separate Plant 25 Delivery Sign template). This delivery sign will help to keep CC ex NAFTA (Plant 25, DOCK 25) and DDC Engine Production (Plant 10, DOCK 6) skids of parts separated. Below are the general guidelines to be followed when shipping parts to CC ex NAFTA:

2.4.1 General Guidelines for Shipping Parts to CC ex NAFTA

In addition to requirements found in other sections of this document; guidelines specific to parts shipping via CC NAFTA are:

1. Supplier will monitor governmental & automotive industry regulations for changes related to packaging & shipping information.

2. Special reinforced packaging may be necessary. Air freight shipments, LTL (less than truckload), and other special shipments to final customers destinations are subject to abnormal handling and require more substantial packaging. Supplier must understand the final shipping destination mode from CC Redford to the end customer and design packaging suitable for shipments through the entire supply chain.

3. Packaging materials shall protect part quality for a minimum of 120 days. Packaging materials will protect the quality of parts for both physical damage and corrosion from shipping environments such as air or sea.

4. Suppliers must comply with international phytosanitary guidelines regarding non-manufactured wood products [NMWP]. These requirements provide guidance on the treatment and marking of coniferous and non-coniferous wooden packaging products. For information regarding the international guidelines, go to the International Phytoanitary Portal [IPP] at http://www.ippc.int/IPP

5. Container designs must provide for dynamic (in transit) loading of three times the static (in storage) load. Suitable non-stapled corner supports and top stacking frames may be necessary to meet this requirement.

6. All expendable packaging must be secured to pallets by either non-metallic strapping (at least two bands lengthwise and two bands widthwise) or by stretch wrap. All stretch wrap must be attached to the pallet and overlap the pallet to prevent loads from shifting in-
transit. Stretch wrap must be transparent to allow visibility of labels. Nailing, stapling, or gluing SHALL not be acceptable methods of securing load to a pallet.

7. Corner Boards: As required to protect the pack. Corner Board protects packages from damage and crushing during stretch wrapping, strapping, shipment and storage and extra stability during shipping and stacking. For additional stacking strength, wood may be used in the corners as a support but must not be stapled to the corrugated. Other methods of holding the wood in place must be used, allowing ease of wood removal.

8. Metal staples are acceptable for use as a carton closure. Strapping Options: (DDC prefers polyester strapping material that is friction welded rather that secured with a metal clip)

+ Non-Metallic Strap (Do NOT use metal banding)
+ Stretch Wrap or Shrink Wrap
+ Tape
3. Quality Requirements

3.1 Certifications Requirements

DDC requires all suppliers to be ISO/TS16949 or ISO 9001:2008 certified. Proof of certification must be provided to the buyer on an annual basis and at any time upon request by a DDC representative.

3.2 Production Part Approval Process (PPAP)

The purpose of the Part Approval Process is to verify whether the supplier has developed a process which complies with all recorded design data and specification requirements so as to assure that the parts received in the future are satisfactory.

DDC utilizes the Production Part Approval Process (PPAP) for Production parts. This process was developed and published in the U.S.A by the Automotive Industries Action Group (AIAG). The PPAP manual describes the scope of application and documentation required for the approval process. Additionally, DDC subscribes to the Truck OEM Customer Specific Requirements (see Appendix H – Truck Industry – Specific Requirements, within the PPAP manual).

For every new part number and/or design level to be supplied, the supplier is required to submit PPAP for approval by DDC. In cooperation with other Daimler Truck Group Companies, DDC and AAC will accept documented* approval from those locations when:

- The same part number and design level are supplied from the same manufacturing location to other Daimler Truck Group Companies
- International supply is coordinated by a Daimler Truck Group Company in cooperation with DDC.

Parts not subjected to PPAP or cooperative approval are prohibited from being used as production parts unless documented via waiver.

Product or process changes occurring after the approval process are to be communicated to DDC the Product Process Change notification form as defined within the PPAP manual. Subsequently, DDC may elect to require a submission for PPAP approval.

Further information and the latest version of the AIAG PPAP manual as well as all AIAG manuals can be found at the Automotive Industry Action Group’s web site: [http://www.aiag.org](http://www.aiag.org).

*Acceptable documentation may be in the format specified by the approving location and not necessarily identified as PPAP.

A German version can be ordered from the following company:

Carwin Continuous Ltd
Publications Department, Unit 1, Trade Link
Western Avenue, West Thurrock
Grays, Essex RM20 3FJ
United Kingdom
Phone: +44-(0)1708- 861333, Fax: +44-(0)1708-867941

The German version is intended only as an aid for better understanding the Production Part Approval Process, PPAP. Only English PPAP documentation will be accepted at DDC (not the German forms for PPAP documentation).
3.2.1.1 PPAP Documentation (Engines)

All documentation for PPAP submission levels 1, 2, 3 & 4 for DDC engine components must be submitted electronically via the eSEP++ online system. In the case of electronic submission, final PPAP approval will be pending review of sample parts if required as part of the submission package.

Link is as follows: https://daimler.portal.covisint.com/web/detroitdiesel/downloads/-/journal_content/

3.2.1.2 PPAP Documentation (Axles)

All documentation for PPAP submission levels 1, 2, 3 & 4 for DDC axle components may be submitted via post mail or electronic mail directly to your responsible supplier management representative.

3.2.2 Initial Samples

If a supplier has been selected, on the basis of a bid, as a supplier for a production or service part, the responsible buyer will send an order (Purchase Order/Purchase Contract). The Supplier Management representative will provide information to the supplier regarding the PPAP submission level required for part approval. In all cases where samples are required, sample parts must be specifically identified and shipped in accordance with the “Award Letter”. Tooling expenditures are not reimbursed until after documented approval. The timing of submission, therefore, is directly related to the payment of invoices for tooling.

3.2.3 Initial Samples

Sample parts shipments must be specifically identified so as to preclude any possibility of confusion in Material Receiving.

The following labels are used:

- Label “Experimental / Prototype Part Submittal”
- Label “Sample Submission for Production Approval”

3.2.3.1 Identification of Experimental / Prototype Part Submittal

Labels are used for the purpose of identifying experimental or prototype sample parts shipments. These labels are to be yellow, applied on the shipping container, and must be clearly visible on 4 sides of the container. If the supplier does not receive these labels with the award letter, it is acceptable for the supplier to create one using the sample on the following page.

The following information must be included on the label:

1. From: Name and address of your company
2. Part Number: Assigned part number
3. Part Name: Description of the part
4. Quantity: Number of sample parts
5. Attention: Address for Experimental / Prototype Samples:

Detroit Diesel Non-Pro Dock
12200 Telegraph Rd.
Redford, MI 48239
USA

6. Documentation enclosed:

List enclosed document

Sample: “Experimental/Prototype Part Submittal”

![Experimental / Prototype Part Submittal](image)

### 3.2.3.2 Identification of Sample Submission for Production Approval

Labels are used for identifying service or production part sample shipments. These labels are to be orange, applied on the shipping container, and must be clearly visible on 4 sides of the container. If the supplier does not receive these labels with the award letter, it is acceptable for the supplier to create one using the sample on the following page. The supplier may receive these labels along with the Purchase Contract and the PPAP Warrant Document.

The supplier must note the following information on the label:

1. From: Name and address of your company
2. Part Number: Assigned part number
3. Eng. Chg. Or Date: Drawing revision level / date
4. No. of PCS: Number of sample parts
5. To: Address to which the all sample parts have to be sent:
   - **Address for Production Part Samples:**
     West Dock
     Receiving Inspection Dept. 794
     Detroit Diesel Corporation
     12200 Telegraph Rd.
     Redford, MI 48239
     USA
   - **Address for Service Part Samples:**
     Receiving Inspection Dept. 654
Sample: “Sample Submission for Production Approval”

3.2.4 Sample Re-Evaluation

If the initial PPAP submission is rejected, whether due to nonconformity of dimensions, metallurgy or documentation, a corrected PPAP must be resubmitted in the same manner as the original documentation.

3.2.5 Overdue PPAP Submissions

Should we find it necessary, repeatedly, to request the supplier to submit PPAP, without any resultant success, we reserve the right to invoice the supplier for the costs incurred for additional testing.

3.2.6 Informing the supplier of quality defects subsequent to the successful evaluation of sample parts

Even after successful evaluation of sample parts, we take it upon ourselves to check parts on a continuing basis. We do this through the following activities:

- Receiving inspections
- Quality control of your parts during processing, assembly on the engine or during engine testing

The responsible Tactical Supplier Quality Engineer (TSQE) will inform the supplier of any quality defects that occur. Quality defects detected during receiving inspection are documented in Defective Material Reports (DMR). Defects detected during processing, assembly, or testing are documented in the respective Line Call Reports. Rejected parts are returned at the suppliers request or stored for a reasonable length of time for analysis / disposal. Please also note related Section 9 "Rejected Material".

In the event of a quality problem, we expect immediate cooperation from the supplier in implementing actions to correct the problem and assure the supply of satisfactory parts for the long term.
3.3 Experimental Part Approval Process (XPAP)

DDC utilizes the Experimental Part Approval Process (XPAP) for Experimental and Prototype Parts. It describes, among other things, the scope of application and content of the documents that must be submitted for the initial sample approval process. The XPAP submission requirements will be defined by Engineering or Experimental / Prototype Program Management and communicated to the supplier by the respective Purchasing discipline.

3.4 Rejected Material

3.4.1 Introduction

Should the parts supplied, be unsatisfactory with respect to quality or not reflect the drawing, we expect that the supplier take immediate action on the matter toward settlement of the complaint. This also includes that the supplier provides the name of a responsible contact for quality assurance matters that has the authority to affect the most expeditious response to complaints. All parts not complying with the drawing specifications or the standards will be rejected.

The following must be observed to assure successful cooperation in this area:

- Provide and keep current the name of the person you have designated as our contact for quality assurance matters (name, tel., e-mail, fax, and a substitute).
- Our contact should have the ability to request, without delay, information on parts quality and availability.
- Our contact should have the authority to immediately initiate quality related sorting or to appoint and entrust a subcontractor with that responsibility.
- Our contact should complete quality report requests as outlined in Section 3.4.4.1 (Inspection Report Reporting in eSEPP++) or Section 3.4.4.2 (8D reporting).
- Our contact must know how to process a request for Production Action Authorization (PAA). Please refer to Section 3.4.5, “Production Action Authorization, PAA”.
- The contact person will work closely with our Supplier Quality Engineers (SQE) to settle complaints. This requires the contact person have a good command of the English language.

3.4.2 Defective Material Report (DMR)

A Defective Material Report (DMR) is issued when it is determined that parts shipped by the supplier do not conform to the drawing specifications and/or the standards. This report is compiled by the responsible Tactical Supplier Quality Engineer (TSQE). In addition to a DMR and depending upon the specific case, the TSQE may undertake additional actions and will contact the supplier in advance regarding any of the following:

- Parts are returned to the supplier and the value of the returned parts is charged to the supplier's "account". The supplier will also be invoiced for the cost of the return shipment. Please note in this regard Section 9.3 “Return Goods Shipper, Parts RGS”.
- The parts are scrapped on-site and value of the scrapped parts is charged to the suppliers account.
- Sorting of the parts by DDC. In the event of sorting, the supplier will be charged for the costs incurred.
- Rework of the parts by DDC. In the event of rework, the supplier will be charged for the costs incurred, including hourly personnel support, administration time, and/or new tooling to perform the rework.
- Tooling costs incurred at DDC to replace damaged tooling that was a direct result of the nonconforming material.
- In the case of serious quality problems, the supplier will be requested to complete a quality report as outlined in
Section 3.4.4.1 (Inspection Report Reporting in eSEPP++) or Section 3.4.4.2 (8D reporting).

A valid line call administration fee will be collected if after investigation of a part complaint we determine that the supplier has supplied unsatisfactory quality or serious quality defects that are detected within the manufacturing processes at DDC. The severity consideration and assessed fee detail are as follows:

- Low: Minor non-conformances that require minor attention or adjustments but does not impede or compromise product quality $50.
- Medium: Non-conformance or abnormalities that hinder and/or cause delays in our production process $250.
- High: Defective product that adversely affects the further fabrication, assembly and/or the performance of our end product as tested and/or as received by our customers $500.

The same guidelines are applied to logistics line calls. Logistic line calls include, but is not limited to, the following: ASN noncompliance, incorrect packaging, incorrect packing slips, etc.

3.4.3 Return Goods Shipper (RGS)

If the DDC Tactical Supplier Quality Engineer has decided to return parts to the supplier or has agreement from the supplier to scrap parts at DDC because of quality defects, the TSQE will issue a Return Goods Shipper (RGS). The RGS serves as the supplier’s debit memorandum. In the case of returned material, it, along with the Purchased Nonconformance Material Report (DMR), will accompany the return shipment. The Shipping Department will then contract a carrier for the return shipment of the parts.

After receiving the return shipment, it is the supplier’s responsibility to forward these documents to the respective in-house departments for their information (Quality Assurance, Accounts Receivable, etc.) so as to preclude future problems.

3.4.4.1 Inspection Report Reporting in eSEPP++ (Engines)

Should we find serious quality defects for engine components during inspection, use, or testing of your parts, the supplier may be required to provide an Inspection Report. For each occurrence our Supplier Quality Engineer (SQE) will provide details via e-mail to the designated contact regarding access to the eSEPP++ online system. All disciplines of the Inspection Report must be addressed. Documentation must be attached to provide observable evidence of corrective action. The purpose of the Inspection report is to provide us with a better understanding of the entire situation and to address concerns to prevent reoccurrence of the quality issue.

The following disciplines are considered when addressing the Inspection Report:

- D1 – Team
- D2 - Problem Description
- D3 – Short Term Actions
- D4 – Error Cause
- D5 – Break-off Measures
- D6 – Break-off Measures
- D7 – Error Repetition
- D8 – Team Success
- Attachments
3.4.4.2 8D Reporting (Axles)

Should we find serious quality defects for axle components during inspection, use, or testing of your parts, you may be required to provide an 8D report. For each occurrence our Tactical Supplier Quality Engineer (TSQE) will provide details via e-mail to your designated contact regarding the defect detected. All disciplines of the 8D Report must be addressed. Documentation must be attached to provide observable evidence of corrective action. The purpose of the 8D Report is to provide us with a better understanding of the entire situation and to address concerns to prevent reoccurrence of the quality issue.

The following disciplines are considered when addressing the 8D report:

- Symptoms & Emergency Response Action
- Team
- Description of the Problem
- Interim Containment Actions
- Define and Verify Root Cause and Escape Point
- Define and Verify Permanent Corrective Actions
- Implement and Validate Permanent Corrective Actions
- Prevent Recurrence
- Recognize Team and Individual Contributions

3.4.5 Production Action Authorization (PAA)

Should parts be manufactured that do not meet current engineering blue print specifications, a Production Action Authorization (PAA) can be requested. Please note the following critical elements of the PAA.

Direct access to the PAA form requires a “@daimler.com” e-mail address. If the requester is external to Daimler then an electronic version of the form can requested by e-mailing the PAA Administrator at paa.admin@daimler.com or the appropriate Supplier Quality Engineer (SQE).

The PAA request is made through the SQE who completes the request in the Lotus Notes application but will require the following information be provided by the requesting supplier point of contact.

- The “Requester”, this is the name of the supplier point of contact.
- The “requesters e-mail address and phone number.
- The suppliers “company” name.
- A PAA description (summary description of the deviation being requested).
- The part number(s) and description(s) for all deviation affected parts.
- The PAA “type”.
  - FFF if the nonconformance condition has no effect on the form, fit, or function of the end product.
Material if the deviation request is for a material deviation. The requested material deviation is to have no effect on form, fit, or function of the end product.

- The PAA “effectivity” must be identified. Indicate when the parts included in the PAA will be shipped.
- The “Problem Statement”. Describe the issue resulting in the request to use nonconforming material.
- Describe the corrective action being taken to ensure future compliance to the blue print.

Request for permanent or drawing changes are no longer acceptable with use of a PAA.

PAA’s will be considered valid when all internal approvals have been completed and the requestor notified of acceptance via an automated e-mail from the PAA application.

PAA’s will be considered valid for a maximum 90 days, after which the PAA will be considered expired. Usage of a specified number of pieces can referenced but the prevailing limit is a maximum of 90 days. In special instances a PAA extension may be requested and will require re-approval. A PAA is to be used to accept a limited number of nonconforming materials not to exceed 90 days while corrective action is completed to resolve the nonconforming condition.

Upon completion or expiration of the PAA all parts must be in compliance with the current engineering blue print specification.

Nonconforming parts shipped, but approved via a PAA must have all shipping documents and related containers or packaging clearly identified with the PAA number.

Exhibit -1 Label is to be used to identify first / last parts shipment. This is to be a RED label indicating first / last parts shipment and containing all part number, description and PAA information contained in the label.

Exhibit -2 Label to be used to identify PAA part shipments that are on-going (in between the first and last). On-going shipment of parts are to be identified using a YELLOW (Exhibit 2) label.
Exhibit 1. First/Last part shipment (RED) label

Exhibit 2. On-going part shipment (YELLOW) label
4. Packaging & Preservation

4.1 Introduction

The following packaging and identification requirements are part of the terms and conditions of a supplier’s purchase order contract with DDC.

The purpose of this section is to achieve a quality packaging system through a cooperative effort between our suppliers and DDC that will:

- Contain and protect the production parts
- Increase productivity
- Improve competitiveness
- Reduce packaging cost
- Improve safety
- Reduce waste

This publication was prepared by the Packaging/Material Handling Group in cooperation with manufacturing and assembly operations to provide workable solutions for both our operations and for those of our suppliers. DDC emphasizes the development of complete and efficient packaging systems through communication, planning, and implementation. Each supplier must adequately plan for packaging in advance. We encourage suppliers to work with the packaging/material handling group for packaging improvements.

Normal changes in plant facilities, part designs, and packaging materials require constant attention to assure the consumption process needs are met as economically as possible. The supplier must submit new forms detailing changes, and also communicate packaging changes in advance for proper preparation.

This publication, DD5563-0809 replaces all previous packaging guidelines including, but not limited to DD5563-0603, DD5563-9604 and DD5563-9902. Questions related to packaging and labeling should be directed to:

For general inquiries: Packaging Engineering, DetroitPackaging@daimler.com,

Engine Packaging: Terry Dunham – Terry.Dunham@Daimler.com +1-313-592-5872

Axle/Transmission Packaging: John Ferry – John.Ferry@Daimler.com +1-313-592-5374

For returnable container requests: dreturnablecontainers@daimler.com, +1-313-592-3705

Or James French, James.French@daimler.com, +1-313-592-7790

This document is intended to provide the general requirements for packaging DDC production parts and may apply to parts packaging for shipment via CC NAFTA; please ensure agreement with your DDC packaging representative on packaging solutions. Each part and each supplier may require different applications (returnable vs. expendable, domestic vs. export) and each supplier must work directly with Supplier Management and Packaging to ensure a proper plan is created prior to product launch. All packaging plans must be approved by SM and PKG prior to implementation.
4.2 General Requirements

The following guidelines are requirements to be used by suppliers in developing packaging for production parts:

- No more than one part number per container
- One standard pack quantity will be established for each part number. This pack quantity must be used for every shipment regardless of whether the part is shipping in returnable or expendable packaging.
- No individual or aftermarket packaging is permitted for production parts
- Each part must have an expendable pack designated and approved prior to production (see Packaging Data Sheet). This includes any part number that will predominately be shipped in returnable containers.
  - All expendable packaging even if only to be used as backup must be made out of cardboard but if a wood crate must be used it has to be an approved Daimler Clip Lock Box to avoid crates that are sealed using nails.
- Manually handled containers must not exceed 30lbs
- Containers must be palletized to permit handling with fork-trucks and pallet-jacks. 2/3’s of a pallet layer is considered sufficient quantity for palletizing. Any number of boxes less than that can be shipped loose.
- All pallet loads should be properly secured with stretch wrap, banding or other means (no boxes shall be stapled to pallets).
  - It is the supplier’s responsibility to efficiently and economically pack the material for the method of transportation and type of handling planned for the final destination and its intended point of use.
  - Unit loads must be properly loaded, blocked, and braced for shipment.
  - Void space must be filled to prevent load shifting in transit.
- Mixed pallet loads are acceptable if parts are delivered to the same receiving dock & warehouse location. All mixed load pallets must approved by Packaging Engineering and be clearly marked on all four sides with 8” x 11” signage in large print, “Mixed Load”.
- Bags, drums, barrels, cans or pails are only acceptable packaging for liquid or granular materials.
- Suppliers are responsible for designing their own expendable packaging, including expendable dunnage used inside a returnable container.
- Suppliers will ship and label in compliance with the requirements of common carriers, and state, federal and local laws.
- Suppliers must provide a primary packaging contact to ensure any packaging issues are addressed and resolved promptly.
- Suppliers must provide packaging information in their ASN, along with part information. See section 2.3.1 ‘Electronic Data Interchange’ for specifications
• Violation of packaging rules can and will result in a Packaging Line Call, which can result in a fine.

4.2.1 Hazardous Material

The packaging of hazardous materials shall follow relevant US and Canadian transportation regulation which prescribe the proper method of classification, packaging, marking and labeling of each shipment. Furthermore, where other federal, state, or local standards and/or regulations are in effect the packaging and labeling shall comply.

4.2.2 Safety

All packaging must be free from all handling hazards, including but not limited to protruding nails and staples.

4.2.3 Import / Export

Certain restrictions and regulations apply to packaging material that is shipped between countries. It is the supplier’s responsibility to ensure all shipments meet the importing country’s import regulations.

Please reference Consolidation Center Export Packaging guidelines.

4.2.4 Packaging Approval Process

All production part packaging must be approved prior to delivery to the factory. All production part packaging shall require submittal of:

• Packaging Data Sheet
• Sample pack shipped

Additionally, the following may be required prior to implementation:

• Photographs and drawings of proposed packaging – pallet load, primary pack and internal dunnage.
• Package testing
• Any part utilizing returnable containers must also have an approved backup/alternative packaging plan in place to avoid any interruptions in supply. The details of this plan must be documented via the packaging data sheet and submitted to the appropriate packaging engineer for final approval.

The Packaging Data Sheet may also be used to submit proposed packaging changes to:

Packaging Engineering, DetroitPackaging@daimler.com.
**Sample: “Packaging Data Sheet – Expendable”**

### Packaging Data Sheet

**Product Information:**
- **Product Name:** [Details]
- **Manufacturer:** [Details]
- **Date:** [Details]

**Shipping Information:**
- **Weight:** [Details]
- **Dimensions:** [Details]
- **Unit of Measure:** [Details]

**Order Information:**
- **Order Quantity:** [Details]
- **Unit Price:** [Details]

**Preparation:**
- **Number of Layers:** [Details]
- **Layer Description:** [Details]

**Packaging Details:**
- **Packaging Type:** [Details]
- **Packaging Material:** [Details]

**Shipping Information:**
- **Shipping Address:** [Details]
- **Contact Person:** [Details]

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**Notes:**
- [Additional notes or comments]

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4.3 Choosing the Right Container

Container selection will be adapted/defined in cooperation with DDC’s packaging engineering department based on specific criteria outlined in sections 4.4 and 4.5.
4.4 Expendable Packaging

An expendable shipping system is comprised of container components having a life expectancy of only one trip from the supplier to customer. Generally, selection of a corrugated container will depend upon the specific part or material, the method of transportation and the method of handling required by the supplier and the receiver. However, certain basic factors deserve consideration. Packages which are to be manually handled are subject to rougher handling than those handled mechanically and consequently require more protection. Package size, strength and type must be selected to fit the method of transportation and the applicable carrier regulations, extent of protection from the elements, number of transfer points, distance of travel, and the roughness of route.

Other factors of equal importance that must receive due consideration are the packaging costs. In finalizing the design, the following factors must be considered:

- Handling Labor
- Handling Equipment
- Transportation Cost (Cube Utilization)
- Floor Space
- Direct Labor
- Recyclability

The specific method used should be chosen to best fulfill the prerequisites of good packaging practice for any given commodity. Supplier is responsible for packaging performance. Test ship if necessary.

Optimum area and cube utilization begins with the primary package's design. Every packaging design activity is part of a larger packaging system, and the primary package's design and dimensions are a critical component of a cost-effective distribution system. All expendable containers must be loaded to cubic capacity to maintain load density and package integrity, and to obtain optimum freight rates. However, containers should not be stacked; unless they are the same type of container (i.e. EXP0583232 and EXP0483424 should not be stacked on top of each other).
4.4.1 Proper Palletization and trailer loading

Each shipping unit must be properly palletized in level layers to allow for stacking and proper utilization of transportation.

It is mandatory that when a supplier ships in material warranting palletization that the parts or materials be loaded on a pallet or packaged as a unit load. Optimum pallet height is 45” and load shall not exceed that.

All containers must have a manufacturer’s certificate with bursting, puncture, or ECT edge crushed test visible on the assembled container.

All pallet loads should be properly secured with stretch wrap, banding or other means (no boxes shall be stapled to pallets).

- It is the supplier’s responsibility to efficiently and economically pack the material for the method of transportation and type of handling planned for the final destination and its intended point of use.
- Unit loads must be properly loaded, blocked, and braced for shipment.
- Void space must be filled to prevent load shifting in transit.
Sample: “Certificate of Box Maker”

Box maker’s certificates using burst test and ECT Values. Canadian Certificates would also contain an RAC code identifying the construction.

4.4.2 Small Lot Containerization

It is mandatory that carton size and construction be modular to the shipping pallet. Any deviations from this method will result in a return shipment.

Cartons must not overhang the pallet or weigh more than a maximum weight of 30lbs (13.63kg). Corrugated material used in shipping containers must have adequate strength to withstand the test of usage; the parts and container must arrive in satisfactory condition until presented at point of use. A minimum of 44 lbs./in edge crush (ECT) or 275 lbs./in² burst test is required unless approved by DDC.
Each Carton on a load must be individually labeled with identical labels on two adjacent sides. A “Master Label” must be used when multiple packs of the same part numbers are shipped. Mixing of part numbers on a pallet unit load is discouraged. However, when unavoidable due to handling/shipping expense, unit loads must have the proper “Mixed Load” label.

Properly Palletized

DDC has the option, if necessary, of approving or rejecting a supplier’s selection of packaging materials and sources.

4.4.3 Corrugated Pallet Boxes

All corrugated pallet boxes must be sufficient strength to withstand triple stacking to a height of 110” (2794mm) under full load. If attached to a wooden pallet, they must also be a breakaway design to allow easy disassembly.

4.4.4 Internal Dunnage for Expendable Systems

Expendable internal dunnage is discouraged whenever possible and used only when part to part contact must be eliminated to prevent damage in transit. Suppliers are responsible for the design, performance, and procurement of all expendable dunnage. The dunnage should be designed to minimal levels, which includes minimal set up, maximizing density, loading and unloading labor, and allow for ease of recycling and/or disposal, that achieve protection and preservation of the part. The following materials are discouraged from use at DDC unless explicitly authorized:

- Foam
- Rubber
- EPS (Styrofoam)
- Any mixed material will not be accepted.
HALF SLOTTED BOX WITH COVER (HSC)

Can be used as combination shipper and self-package and for various applications where cover must be removed.

SINGLE FACE

Consists of one layer of corrugated medium and bonded to single layer of linerboard. It provides cushioning for products wrapped in it.

SINGLE WALL

Has a second facing glued to the other side of the fluted medium. This results in a rigid structure.

DOUBLE WALL

It adds another fluted medium and another sheet of linerboard for greater strength. It has three facings with two fluted corrugated medium sheets between them. It has a high stacking strength and is a good application for heavy products.
TRIPLE WALL

Consist of four facings with three fluted corrugated medium sheets between them. It offers exceptional strength for packaging very large or heavy products.

4.4.5 Wooden Pallets

- All wooden pallets shipped into DDC must be double faced of the runner design.
- Pallets must not be smaller in length and width than the load height.
- All pallets must be able to support a 3000 lbs. capacity while triple stacked.

4.4.5.1 Deck Boards

All deck boards must be either 32" or 48" in length, no less than 5/8" thick, and attached by a minimum of two double screw nails on each side to the runners parallel to the 3.5" entry openings.

4.4.5.2 Cross Ties

All pallets and pallet bins must be constructed with cross ties on the runners identical to the deck boards.

4.4.5.3 Footprints & Entry

Three standard footprints are allowed:

<table>
<thead>
<tr>
<th>Entry</th>
<th>Width</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>30&quot;</td>
<td>32&quot;</td>
</tr>
<tr>
<td>4</td>
<td>40&quot;</td>
<td>48&quot;</td>
</tr>
<tr>
<td>4</td>
<td>45&quot;</td>
<td>48&quot;</td>
</tr>
</tbody>
</table>

Usage of anything outside of the allowable requires DDC authorization (i.e. export pallet sizes in next section).
4.4.6    Regulations on Wood Packaging

Many countries have implemented strict guidelines for wood when it passes across their borders. This is to prevent harmful insects which live in wood from spreading through wooden packaging. It is the supplier's responsibility to ensure all shipments meet the importing country's import regulations.

When using packaging outside the EU borders DDC standard wooden packaging must conform to the ISPM-15 (International Standard for Phytosanitarian Measures number 15) requirements. This means that packaging must undergo heat treatment (HT) and kiln drying or Methyl Bromide (MB) fumigation and also be stamped with IPPC symbol.

Wood treated via MB will need to be accompanied with additional paperwork prior to unload at DDC facility. Any loads without the accompanied paperwork will be refused.

4.4.6.1 Modular packaging for export

Certain components that are consolidated at DDC for export to other countries, or consolidated for export in foreign countries for export to DDC may require the use of modular packaging. Modular packaging is designed to closely mimic small returnable containers in size and density, and is designed to stack and interlock with each other. Below is matrix of the commonly used modular boxes. Daimler has sources and pricing established for modular boxes. If a supplier is required to use modular packaging, the Supplier Manager or Packaging Engineer will advise, and provide box vendor and pricing information.

<table>
<thead>
<tr>
<th>Box number</th>
<th>Daimler Equivalent Returnable</th>
<th>Inside Dims. [mm]</th>
<th>Outside Dims [mm]</th>
<th>Board Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>B4 059 20 005</td>
<td>KLT 4406</td>
<td>329x239x157</td>
<td>371x281x165</td>
<td>BC 2.50</td>
</tr>
<tr>
<td>B4 059 20 006</td>
<td>KLT4206</td>
<td>520x329x157</td>
<td>562x371x165</td>
<td>BC 2.50</td>
</tr>
<tr>
<td>B4 059 20 007</td>
<td>KLT 4203</td>
<td>520x329x322</td>
<td>562x371x330</td>
<td>BC 2.50</td>
</tr>
</tbody>
</table>
Modular Pallets are also used:

<table>
<thead>
<tr>
<th>Part Number</th>
<th>Dimensions [mm]</th>
<th>Tare Weight</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B430060016</td>
<td>1140x1140</td>
<td>Tare: 22 kg</td>
<td>Must comply with ISPM-15 Export Standards established by, IPPC</td>
</tr>
<tr>
<td>B430060017</td>
<td>1140x570</td>
<td>Tare: 15 kg</td>
<td>Must comply with ISPM-15 Export Standards established by, IPPC</td>
</tr>
</tbody>
</table>
4.5 Returnable Packaging

Returnable containers are intended to be used repeatedly and frequently. Their success as cost effective packaging depends on how well they are cared for, controlled, and returned to be reused.

A variety of factors deserve consideration in the decision to use returnables. Factors such as:

- Initial cost
- Facility/equipment constraints
- Repair costs
- Transportation costs
- Standardization
- Return ratio
- Geographic relationships (location of supplier)
- Volume
- Handling costs
- Cleaning
- Environmental concerns
- Product protection
- Tracking costs
- Administrative costs
- Visual inventory management
- Ergonomic issues

Due to these factors, returnable containers are not always the most cost effective choice for packaging.

DDC owned returnable containers are provided for exclusive use for DDC parts in transit, in DDC facility, and JIT production needs. Only goods ready for delivery may be packed in DDC returnable containers, they are not to be used for storage or work in process. Loop calculations are based on the above mentioned and any obstructions will present a container shortage that will not be accommodated.

All suppliers utilizing returnable containers must all provide DDC with a proposed expendable packaging plan via Packaging Data Sheet. This expendable package will be the only non-returnable package utilized for said part in the event of container shortages. Each shortage situation requires approval and any container, rack, and dunnage shortages must be brought to the attention of your DDC representative prior to shipping in the alternate packaging. Failure to follow this process may result in unpaid expenses consequential of the shortage (including failure on the supplier’s part to request containers from the dunnage yard in a timely manner).

Alternative/Backup Package Process Flow
All small lot returnable containers (those handled manually) must not exceed 30lbs including parts and container.

4.5.1 Container Identification

All returnable containers, racks, trays, totes, etc. must have clear identification of their container number in 1-1/2” letters embossed into the container, painted onto the container, or affixed to the container with permanent labeling. In addition, supplier owned returnables must have the supplier’s name clearly marked on the container as “Property of Supplier.”

All returnable containers, racks, trays, totes, etc. must also have clear labeling of the supplier name and return to location affixed to the container with permanent labeling.

Suppliers must insure that all materials shipped to DDC are correctly labeled and that the labels are properly attached or inserted into the holder/placards on the racks or containers.

4.5.2 Container Management

Suppliers utilizing DDC owned containers must sign a Returnable Container Packaging Agreement (Form DE1291 Rev 7-15-93) which defines supplier and DDC responsibilities utilizing returnable containers. Suppliers must provide packaging information in their ASN, along with part information. See section 2.3.1 for EDI specifications. Upon arrival of empty returnable container shipments, the supplier must confirm receipt through the Orbis Smarttrak web-based portal.

4.5.2.1 Ordering Containers

To place an order for returnable packaging, simply send an email to:

Dunnage Yard – Engine packaging: ddreturnablecontainers@daimler.com
Axle Packaging: john.grills@daimler.com

Prior to exhaustion (including transit time) at your facility with the following information:

- Company information and contact
- Container code
- Current inventory
- Quantity scheduled by the end of the week
- Quantity needed by the end of the week/month

Upon arrival of the empty returnable container shipments, the supplier must confirm receipt through the Orbis Smarttrak web-based portal.

Please allow sufficient lead times for delivery. If this is not possible, please telephone:

Engine Dunnage Yard: (+1) 313-592-5792 and Axle: (+1) 313-510-6182.
4.5.2.2 Container Maintenance

Maintenance cost procedures for returnable systems will be handled on an individual supplier/customer basis. DDC will be responsible for the maintenance and replacement costs of DDC owned containers and purchases of new containers for volume increases.

The supplier is responsible to maintain cleanliness of the containers used. This includes ensuring the containers are free of debris that would impact the quality of the material being packaged prior to loading with DDC parts. It also includes assuring that the removal of old labels prior to shipping has been completed is mandatory and remains the responsibility of the supplier. Failure to comply with cleanliness standards can result in a Packaging Line Call with fines.

It is the supplier’s responsibility to inspect all racks and containers prior to loading to ensure that damaged equipment which could cause damage to parts or injury to handlers/operators is segregated and removed from the system for subsequent repair or scrap disposition by DDC. As damaged equipment is so segregated, it should be collapsed, folded down (where applicable) and clearly marked “Damaged Container Do Not Re-Use” (DD 5483 - Pink Tag). At this point suppliers should call their DDC representative who will advise what transportation arrangements to make.

![Damaged Container Do Not Re-Use](image)

4.5.3 Standard Containers

DDC requires the use of standard containers and standard footprints whenever possible. The acceptable standard footprints for DDC are 32” x 30”, 40” x 48” and 48” x 45”. Use of any other pallet load or container footprint size is by exception, and must receive authorization by DDC PKG/MHG prior to implementation.

Below is a list of standard small totes, pallets/lids, and bulk bin containers:

**SMALL TOTES**

<table>
<thead>
<tr>
<th>Container ID</th>
<th>Description</th>
<th>Dimensions</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC140807</td>
<td>AIAG Fastener Tote</td>
<td>14” x 08” x 07”</td>
<td>Black</td>
</tr>
<tr>
<td>SC120705</td>
<td>HDPE injection molded stack only container with reinforced bottom</td>
<td>12” x 07” x 05”</td>
<td>Gray</td>
</tr>
<tr>
<td>SC151205</td>
<td>Same as above</td>
<td>15” x 12” x 5”</td>
<td>Gray</td>
</tr>
</tbody>
</table>
### LARGE BULK BINS

<table>
<thead>
<tr>
<th>Container ID</th>
<th>Description</th>
<th>Dimensions</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>KD323034</td>
<td>HDPE (UV Stabilized) injection molded structural foam collapsible container with two access doors.</td>
<td>32” x 30” x 34”</td>
<td>Blue</td>
</tr>
<tr>
<td>KD484534</td>
<td>Same as above</td>
<td>48” x 45” x 34”</td>
<td>Black</td>
</tr>
</tbody>
</table>

### PALLETs / LIDS

<table>
<thead>
<tr>
<th>Container ID</th>
<th>Description</th>
<th>Dimensions</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>SP14</td>
<td>HDPE injection molded structural foam pallet (use SP11 lid)</td>
<td>48” x 45” x 6-1/2”</td>
<td>Black</td>
</tr>
<tr>
<td>OD3</td>
<td>Same as above</td>
<td>32” x 30” x 6-1/2”</td>
<td>Black</td>
</tr>
<tr>
<td>OD8</td>
<td>HDPE injection molded structural foam pallet w/seat belts. Use with OD9 lid.</td>
<td>48” x 45” x 6-1/2”</td>
<td>Black</td>
</tr>
</tbody>
</table>

DDC Packaging utilizes the above containers whenever functionally and financially feasible for a supplier or part. Other containers may be chosen for better fit, part protection, cost effectiveness or other reasons.

 Suppliers who own their own containers may implement those containers with prior approval from DDC.

**Examples of common returnable containers:**

Small Container (SC151208 example)

Large Plastic Knockdown Container (KD484534 example)
<table>
<thead>
<tr>
<th>Container</th>
<th>Outside Dimensions: Length</th>
<th>Width</th>
<th>Height</th>
<th>Tare Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC 120705</td>
<td>12&quot;</td>
<td>07&quot;</td>
<td>05&quot;</td>
<td>1.1lb</td>
</tr>
<tr>
<td>SC 140907</td>
<td>14&quot;</td>
<td>09&quot;</td>
<td>07&quot;</td>
<td>2.0lb</td>
</tr>
<tr>
<td>SC 151205</td>
<td>15&quot;</td>
<td>12&quot;</td>
<td>05&quot;</td>
<td>1.6lb</td>
</tr>
<tr>
<td>SC 151208</td>
<td>15&quot;</td>
<td>12&quot;</td>
<td>08&quot;</td>
<td>2.2lb</td>
</tr>
<tr>
<td>SC 151210</td>
<td>15&quot;</td>
<td>12&quot;</td>
<td>10&quot;</td>
<td>2.5lb</td>
</tr>
<tr>
<td>SC 241505</td>
<td>24&quot;</td>
<td>15&quot;</td>
<td>05&quot;</td>
<td>3.6lb</td>
</tr>
<tr>
<td>SC 241508</td>
<td>24&quot;</td>
<td>15&quot;</td>
<td>08&quot;</td>
<td>3.2lb</td>
</tr>
</tbody>
</table>
4.5.3.1 KLT Standard Containers

KLT standard containers have been introduced between European suppliers exporting via consolidation center to NAFTA, in place expendable modular boxes. Expansion of this program will eventually include suppliers shipping ex-NAFTA to Europe.

<table>
<thead>
<tr>
<th>Mehrwegladungsträger</th>
<th>Innenmaß / Außenmaß [mm]</th>
<th>Einwegladungsträger</th>
<th>Innenmaß / Außenmaß [mm]</th>
</tr>
</thead>
<tbody>
<tr>
<td>T5 4314</td>
<td>335x245x103 / 400x300x147,5</td>
<td>B4 059 20 005</td>
<td>329x239x157 / 371x261x165</td>
</tr>
<tr>
<td>T5 6414</td>
<td>535x346x100 / 600x400x147,5</td>
<td>B4 059 20 006</td>
<td>520x329x157 / 562x371x165</td>
</tr>
<tr>
<td>T5 6428</td>
<td>593x346x231 / 600x400x280</td>
<td>B4 059 20 007</td>
<td>520x329x322 / 562x371x380</td>
</tr>
<tr>
<td>T5 3216</td>
<td>243x162x130 / 300x200x147</td>
<td>B4 059 20 031</td>
<td>239x153 x157 / 281x185x165</td>
</tr>
<tr>
<td>T5 4828</td>
<td>335x245x238 / 400x600x280</td>
<td>B4 059 20 051</td>
<td>329x239x322 / 371x281x380</td>
</tr>
</tbody>
</table>

4.5.4 Internal Dunnage for Returnable Systems

RETURNABLE DUNNAGE

Common returnable dunnage materials:

- Plastic corrugated board (Akylux):
  - Layer Pads: parts requiring separation between stacked layers
  - Partitions: parts requiring separation between parts
- Thermo-formed trays: Heavy and odd shaped parts; parts requiring specific line side orientation/presentation to the operator
- Structural foam trays: Robotically or automatically unloaded parts
• Die cut foam inserts: Small parts requiring orientation and protections (i.e. sensors)

Whenever possible:
Recyclable materials should be used and clearly marked as to resin type established by the Society of Plastics Industry (SPI).

EXPENDABLE DUNNAGE

Common expendable dunnage materials:

• Corrugated paper board
• Layer pads – parts requiring separation between stacked layers
• Partitions – parts requiring separation between parts
• Plastic corrugated board – used as corrugated (as above), but for overseas shipments
• Wood boards – as dividers, corners posts, separators
• Foam blocks – for large odd shaped parts requiring additional protection and proper part orientation / presentation to the line side operator

Whenever possible:

• Paper based dunnage should be used
• Recycled content materials should be used

Plastic expendable dunnage must be recyclable and clearly marked as to resin type established by the Society of Plastics Industry (SPI).

When using wood or corrugated no foreign materials (i.e. – foam) should be adhered to the wood or corrugated material – no mixed dunnage.

4.6 Production Part Container Labels

DDC utilizes an AIAG B10 standard label format for container labels.

CONTAINER LABEL

Each box will use two Container labels, one each placed on adjacent corners. To increase Ergonomic & Safety awareness, DDC wants all handheld containers to include Gross container weight, which should be below 30 lbs.
Some container labels will require a Data Matrix Code (DMC) reflecting the part production information. DMC information is managed by DDC Supplier Quality, and all questions regarding DMC should be directed to DDC Supplier Quality. Additional information on DMC formatting can be found in DDC Quality document VAM00327.

**MASTER LABEL**

Each pallet load of small containers will use two Master labels, one each placed on opposite sides of the pallet load.

**MIXED LOAD LABEL**

Mixed Loads are acceptable *only* when:

- Approved by DDC
- Multiple part numbers are required to be shipped in which the individual parts have an order multiple that is less than one layer on a pallet.
- All containers on the pallet are individually identified with a bar code label along with a “Mixed Load” label in bold 1.0” (25.4 mm) letters attached in a noticeable location. This means each part number will be contained in its own box. Any part numbers mixed within a single box will be refused.
- Individual part numbers are sorted on the pallet with all labels easily identified on the pallet without need to break down pallet. This means that anything ≥3 rows on a layer is unacceptable.
- Packing slips are broken down on a pallet level basis for part quantity check purposes at the Receiving Dock.

Any pallets container multiple part numbers require four Mixed Load labels, one on each side of the pallet load. This label replaces the Master Label for mixed loads.
4.6.1 Label Samples

CONTAINER LABEL

**Packaging and Shipping Label Detailed Outline**

- **Data Matrix Code**
  - **Block Tag**: DATA
  - **Data**: 13 numeric characters

- **Purchase Order Number**
  - **Block Tag**: PO
  - **Data**: 8 numeric characters

- **Supplier Identification**
  - **Block Tag**: VENDOR
  - **Data**: 9 alphanumerics

- **Serial Number**
  - **Block Tag**: SERIAL
  - **Data**: 8 alphanumerics

---

**Examples**

- **Part Number**: HMN1234567890
- **QTY**: 99999
- **VENDOR ID**: 123456789
- **DATE MFG**: 01/01/06
- **SHIP FROM**: XYZ COMPANY

---

**Note**: All data fields are mandatory. The maximum length of each field is specified in parentheses. The data matrix code is printed on the packaging label, and the purchase order number is assigned by the company. The supplier identification and serial number fields are used to track the manufacturer and the unique package ID, respectively.
MIXED LOAD LABEL

Mixed Load Label Detailed Outline

MIXED LOAD

VENDOR ID (V) 123456789

PKG ID-MIXED (56) 123456789ABCDEFGH

SHIP TO
Portland Truck Plant
6836 N. Fathom Street
Portland, OR 97217.

SHIP FROM
XYZ COMPANY
12345 SOUTH STREET
ANYTOWN, ST 56565

Supplier Identification
Block Title + VENDOR ID (V)
Data = The Supplier Code assigned to your company by DDC.
Data identifier (ID) = 9
Maximum Length = 10 (1 character + 9 alphanumeric characters)

Package Identification
Block Title + PKG-ID-MIXED (56)
Data = Supplier assigned package identification to packaging containing multiple containers of unlike items on a single customer order.
Data identifier (ID) = 55
Maximum Length = 22 (2 characters + 20 alphanumeric characters)

Delivery Ship-To Address
Block Title + SHIP TO
Data = Shipping address of the Freightliner LLC destination plant. Include Plant Name, Street Address, City, State, Zip Code.
TextHeight = Minimum 6 LUB
4.7 Rust Prevention

Volatile corrosion inhibitors (VCI) methods and materials are required over the use of oil based rust inhibitors for cleanliness reasons. This form of preservation is a group of chemicals that evolve vapors with protect metal surfaces from corrosive substances in the atmosphere.

It is our intention to allow our suppliers to use their standard rust proofing materials where possible; however, the responsibility remains the suppliers to provide preservation until the point of use, a minimum of 30 days after receipt at the DDC plant (transportation + 30 days at DDC).

Any introduced substance must undergo real simulation testing for DDC approval. This is largely due to the fact that substances that may pass lab testing may fail in actual practice due to introduced environmental situations that would not be present in lab testing.

4.8 Appendix

4.8.1 APPENDIX A: Returnable Container Agreement

To: Suppliers to DDC

From: DDC Packaging Department

Subject: Implementation of Returnable Packaging

It is the goal of the DDC Packaging Department to eliminate expendable packaging and implement the use of returnable containers between DDC and its suppliers. Returnable containers provide many benefits to DDC and its suppliers, as well as benefiting the environment by reducing the use of corrugated board and wood for pallets. DDCC has had much success thus far with its returnable system and would like it to continually grow and have all suppliers using returnable containers where economical.

The following information details the specifics of the DDC returnable container system. An agreement form will be filled out and a member of the DDC Packaging Department will evaluate the information provided. The outcome of this evaluation will be discussed with the supplier to determine the correct number of containers needed for the system. The attached “Returnable Container Request” form should be used when requesting containers from DDC.

DDC Returnable Packaging Guidelines
I. Ownership of Containers

DDC will retain ownership of all current returnable containers and any tooling needed for non-standard containers or dunnage.

II. Container Cleanliness / Storage

It is the supplier’s responsibility to clean any containers used to ship parts to DDC. The containers should be kept in an area that is not exposed to any external or internal elements which will damage the containers.

III. Lead Time / Work in Process

Returnable containers should be used for shipments to DDC only. An adequate lead time will be determined by the DDC Packaging Department to allow for production of current orders. The containers are to be used for ‘just in time’ delivery and should not be used for any future orders. THE CONTAINERS MUST NOT BE USED BY SUPPLIERS FOR WORK IN PROCESS! DDC reserves the right to make unannounced visits to manufacturing sites if a supplier is suspected of container misuse.

IV. Container Part Number

All containers will have a specific part number so that they may be traced through DDC’s inventory tracking system. Suppliers on a returnable container program must use the Returnable Container Packing Slip to indicate type of container and quantity shipped. This form must be attached to the packing slip enclosed in each shipment to DDC.

V. Container Inventory

An inventory of all containers in the program will be taken once a year, or when specified, and suppliers will be asked to count all containers on hand. This will be done to determine if there are any significant losses and to ensure that there will be enough containers to support the system. All suppliers will be required to do this. The inventory date will be determined by the DDC Packaging Department and suppliers will be given ample time to prepare for it.

VI. Damaged / Replacement Containers

Parts must not be shipped in damaged containers. Suppliers must label damaged containers with “Damaged Container Do Not Use” tags and send the damaged container back to DDC. These tags will be provided by the DDC Packaging Department upon request. All damaged containers will be replaced to ensure there will be enough to support the system.

VII. Labeling / Barcodes

Each container must be identified and will have a container identification label on it. This will eliminate any confusion regarding which containers are used in the system. Part number labeling must be on adjacent sides of each container and must be in accordance with DDC Production Parts Packaging and Shipping Guidelines.

VIII. Container Supply / Transportation

The attached form will be used to communicate with DDC regarding container supply and demand. Adequate transportation time must be taken into consideration when requests are made for containers. The DDC Packaging Department will review the request and determine a sufficient amount of containers that will need to be sent. Suppliers must not rely on DDC to expedite containers to them.

IX. Expendable Packaging
Expendable packaging should only be used in emergency situations once a returnable container system has been established. This should be done only with the authorization of the DDC Packaging Department and/or DDC Vendor Scheduling.

X. Package / Container Quantity

Suppliers will ship according to an agreed upon package and skid quantity. A “Returnable Container Agreement Form” will be filled out by the supplier and submitted to the DDC Packaging Department for approval. A DDC Packaging Engineer will determine the final quantities.
### SECTION A: PART INFORMATION

<table>
<thead>
<tr>
<th>Part #</th>
<th>Part Wt (lb)</th>
<th># Parts/Week</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Dimensions:       |              |              |
|                   |              |              |

| Description:      |              |              |
|                   |              |              |

### SUPPLIER INFORMATION

<table>
<thead>
<tr>
<th>Supplier Name:</th>
<th>Supplier Mailing Address:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Contact:          |                           |              |
|                   |                           |              |

| Phone #:          | Fax #:                    |
| ( )              | ( )                      |

### SECTION B: RETURNABLE CONTAINER INFORMATION

<table>
<thead>
<tr>
<th>Container Code:</th>
<th>Tare Wt. (lb):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Dimensions:      |                          |                          |
|                  |                          |                          |

<table>
<thead>
<tr>
<th>Parts per Container:</th>
<th>Cost per Container: $</th>
<th>(Supplied by DDC)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Special Packing Instructions: | |
|--------------------------------||
|                                | |

<table>
<thead>
<tr>
<th># Containers Needed per Week:</th>
<th>Determined Lead Time: Days</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th># Containers Needed for Lead Time:</th>
<th>Total # of Containers in System:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### RETURNABLE PALLET INFORMATION

<table>
<thead>
<tr>
<th>Container Code:</th>
<th>Tare Wt. (lb):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Dimensions:      |                          |                          |
|                  |                          |                          |

<table>
<thead>
<tr>
<th>Containers per Pallet:</th>
<th>Cost per Pallet: $</th>
<th>(Supplied by DDC)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Special Packing Instructions: | |
|--------------------------------||
|                                | |

<table>
<thead>
<tr>
<th># Containers Needed per Week:</th>
<th>Determined Lead Time: Days</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th># Containers Needed for Lead Time:</th>
<th>Total # of Containers in System:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.8.2 APPENDIX B: Glossary of Terms

**Bottom Deck:** Load bearing surface

**Bursting Strength:** A measurement of the ability of a material to resist rupture when pressure is applied to one of its sides

**Certificate, Box Maker’s:** A statement printed on a corrugated fiberboard box guaranteeing that all applicable construction requirements of the carriers have been observed, identifying, and locating the box maker.

**Closure:** The method used to seal a container once the parts have been packaged within it.

**Compression Strength:** The maximum load that can be applied to a container under specified conditions. Static compression refers to a container's ability to withstand a stationary load for a period of time. Dynamic compression strength refers to the load at failure when an increasing load is rapidly applied.

**Corrugated Board (Double Wall):** A corrugated board construction composed of three linerboards and two fluted mediums. The board is stiffer and stronger than single wall and is used for containing heavier products.

**Corrugated Board (Single Wall):** A corrugated board construction composed of two linerboards and one fluted medium. The board is not as strong as double wall or triple wall.

**Corrugated Board (Triple Wall):** A corrugated board construction composed of four linerboards and three fluted mediums. The board is stiffer and stronger than single wall and double wall and is used for containing industrial sized heavy products.
**Deck Board:** The surface element used in the construction of a pallet deck.

**Density:** The weight of a given volume of a material. In inch/pound units this is usually expressed in pounds per cubic foot.

**Dunnage:** Devices or Materials used to support, hold, secure, and/or protect goods during shipment.

**Footprint:** The projected area upon a horizontal plane describing the outermost dimensions of length and width of a pallet, container or container system.

**Level One Container:** The first wrap or containment of a product. (Also known as primary package or child container)

**Level Two Container:** A package or containment of primary package. (Also known as secondary package or parent container)

**Notched Stringer:** The structural component of a pallet to which the deck boards are attached

**Overhang:** A condition in which the edges of packages or products go beyond the perimeter of a pallet, losing support for the package or product and making them more vulnerable to abrasion and damage.

**Pallet:** A portable platform on which groups of packages are unitized into a single load to facilitate efficient distribution.

**Standard Pack/Standard Pack Quantity:** The standard pack is the smallest full container with a constant quantity and size. The standard pack quantity is the consistent number of pieces in the standard pack.

**Tare Weight:** The weight of containers, excluding the weight of the parts
5.0 Accounts Payable

The supplier’s invoice should incorporate the exact information on DDC’s Purchase Contract. For ERS (Evaluated Receipts Settlement) (engines only) transactions, the price should be agreed upon prior to shipment. For all other invoices, see section 5.2.

All Detroit Diesel Corporation engine suppliers should have access to the Accounts Payable Vendor Web Portal. For sign-up information and details, see section 5.8.1.

5.1 Evaluated Receipts Settlement (ERS) – (Engines Only)

ERS (Evaluated Receipts Settlement) is a common practice in the automotive industry whereby the purchaser authorizes payment to supplier based on a Goods Receipt - without any invoice from supplier. The quantities received are multiplied by the piece price listed in the purchase agreement. This process automatically generates an ERS document for the respective goods shipment that will pay according to payment terms, based on delivery receipt date. With respect to such shipments, you should not send any additional invoices to DDC.

The reference on the payment advice will be the Shipment ID (SID) number. If shipments cross an international border, customs invoices will still be required by the supplier to accompany the shipments.

Explanation of the ERS Document:

The ERS document is currently remitted via fax or email to the supplier upon creation and before the payment date. This document informs the supplier of shipments received and amount to be paid. The document should be reviewed and compared against the supplier’s shipping records and the contractually agreed upon scheduling agreement or purchase order. If there are discrepancies, the receiving dock should be contacted regarding quantity; or the purchasing department regarding piece price. See Section 5.1 contact information.

Information contained in the ERS- document:

1. Invoice Number: This is the number that will appear on your remittance advice
2. Date: This is when the ERS document was generated
3. Supplier: Name and address of the supplier.
4. Contact: DDC Department to contact for discrepancies
5. Vendor Number: DDC-assigned supplier number
6. Plant Address: The location where goods were received
7. Contract Number: Purchase Order (PO) or Scheduling Agreement
8. Material / Description: The DDC material number and description of the material
9. Item: The sequential number of the item on the ERS report (ex. 00001, 00002, 00003, 00004, etc.)
10. Delivery Note: Shipment ID (SID) – there must only be one SID number per invoice, and only one invoice per SID. This SID number must also match the ASN and the Packing slip. This number must be exactly the same with no variations including leading zeros, dashes or spaces.
11. Delivery Date: Date goods were received
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12.</td>
<td>Material Document:</td>
<td>The DDC system generated goods receipt number</td>
</tr>
<tr>
<td>13.</td>
<td>Quantity / Unit:</td>
<td>The number of pieces received and the unit of measure</td>
</tr>
<tr>
<td>14.</td>
<td>Unit Price:</td>
<td>The price per unit listed in the Purchase Order or Scheduling Agreement</td>
</tr>
<tr>
<td>15.</td>
<td>Net Price:</td>
<td>The unit price multiplied by the quantity for a particular line item</td>
</tr>
<tr>
<td>16.</td>
<td>Net Value:</td>
<td>The total of all net price items on the ERS document</td>
</tr>
<tr>
<td>17.</td>
<td>Additional Costs:</td>
<td>Any miscellaneous costs</td>
</tr>
<tr>
<td>18.</td>
<td>Total Amount:</td>
<td>The amount that will be paid for all items included on the ERS document</td>
</tr>
</tbody>
</table>

*Sample on Next page*
Detroit Diesel Corp.

Plant Address
Redford
Manufacturing of engines
Detroit, MI 48239

Contract Number: 5102781265 00010 2108 00010
Material / Description: 08929013 / SEAL CYL LINER CREVICE S60

<table>
<thead>
<tr>
<th>Item</th>
<th>Delivery Note</th>
<th>Delivery Date</th>
<th>Material Doc</th>
<th>Quantity/Unit</th>
<th>Unit Price in USD</th>
<th>Net Price in USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>00001</td>
<td>933250</td>
<td>04/01/2010</td>
<td>5000454677</td>
<td>1,500 EA</td>
<td>1.44</td>
<td>2,163.00</td>
</tr>
</tbody>
</table>

Net Value 4,326.00

Additional Costs

Total Amount 4,326.00
5.2 Invoices (non ERS) Details (Invoice requirements listed below)

To complete the three-way match process and initiate invoice payment, all deliveries of goods or services to DDC must be entered into the DDC accounting system. Please ensure delivery is communicated to the requestor for all goods or services provided. For prompt payment, each goods receipt will be entered with a corresponding Shipment ID (SID) which must appear on the invoice.

The Supplier’s invoice must exactly match the DDC Purchase Order. For example, if the DDC PO line indicates line 10 is “2000 items @ $1 / item”, that is how the invoice must read. If the supplier is unable to generate an invoice which will match the PO, please contact the DDC requestor listed to have the PO modified at the time of PO receipt.

The purpose of the Shipment ID is to uniquely identify delivery support related to the goods receipt and must directly match the SID listed on the invoice. In the case of tangible goods, the SID should match the proof of delivery (POD), which will be (in order of descending preference) the Shipment #, Packing Slip #, Packing List #, Advance Ship Notice #, ASN, Shipper Number, Bill of Lading, BOL, Ticket #, Delivery Number, Delivery Note, or Order Number. In the case of contract labor or professional services provided, the SID should be the week-ended date (typically, Saturday).

Failure of the Supplier invoice to exactly match the SID entered at goods receipt will delay payment considerably, as DDC Accounts Payable must individually confirm receipt with the requestor.

Multiple invoices referencing the same SID are not permitted and may result in the invoice not being processed. The relationship between invoice and SID must always be one to one, which means only one invoice per SID and only one SID per invoice. The invoice must include the exact number of line items as the SID and it may not reference multiple PO’s. One invoice may reference multiple Line #’s (See Import Compliance Section 10 for Customs Invoice Requirements).

For example:

<table>
<thead>
<tr>
<th>SID</th>
<th>Invoice</th>
<th>PO #</th>
<th>Line Item #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipment ID #</td>
<td>Invoice #</td>
<td>PO #A</td>
<td>Line Item #1</td>
</tr>
<tr>
<td>Invoice</td>
<td>PO #A</td>
<td>Line Item #2</td>
<td></td>
</tr>
<tr>
<td>PO #A</td>
<td>Line Item #3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For purchases not subject to ERS, invoices should be emailed in PDF format to aphelp@daimler.com (only be one invoice per PDF, multiple PDF’s per email are acceptable) for DDC engine part invoices and to AAC-AP.Pool-ID@Daimler.com for axle part invoices. As a last result, only extremely low volume of paper invoices may be sent to the following address for engine parts:

Detroit Diesel Corporation
Attn: Accounts Payable
PO Box 5936
Troy, MI 48007-5936

Invoice may be sent to the following address for axle parts:
Invoices, whether electronic or paper, must include the following criteria below. If Detroit Diesel Corporation invoices do not comply with the listed criteria, the supplier will be notified of the non-compliance and will be required to resubmit the corrected invoices:

1. **Supplier name, address, vendor code and contact information**
2. The document should clearly state it is an "Invoice". DDC engine business does not pay commercial or customs invoices
3. **Invoice number** - without special characters
4. **Invoice date**
5. Sold-to name (e.g., Detroit Diesel Corporation) and address
6. Ship-to address (complete with zip code)
7. Ship-from location
8. **Shipment ID** (SID) or packing slip number – there must only be one SID number per invoice, and only one invoice per SID. This SID number must also match the ASN and the Packing slip. This number must be exactly the same with no variations including leading zeros, dashes or spaces.
9. **DDC Purchase Order AND PO Line #**
10. The requestor of the material is required if the PO # was not provided, but is optional if the PO # was available
11. DDC material # and description (as stated on the PO)
12. **Quantity shipped** (not to exceed PO quantity)
13. Unit of Measure (must agree to PO)
14. **Unit price** and Currency (must agree to PO and defaults to USD if not specified)
15. Extended price per line item
16. Total amount of invoice and any allowed discounts
17. Other charges, including **Core, Freight, and Taxes** if applicable, must be stated separately on the invoice (e.g., Core, Freight, Taxes). NOTE: DDC is tax exempt on all shipments delivered to Michigan and Ohio from within the United States.

Invoices missing any of the critical fields (bolded above) may be rejected to supplier for correction.

### 5.2.1 Credit Memos

Credits should not be sent to DDC if the credit was issued to offset a debit note received from DDC, Internal corrections with vendor should be kept internal with vendor. Credit Memos can be sent to APHelp@daimler.com for engine parts or AAC-AP.Pool-ID@Daimler.com for axle parts for processing or mailed to the address listed in 5.2.

Credit memos must include the following:
1. Supplier name, address, vendor code and contact information
2. Credit Memo number
3. Credit date
4. Sold-to name (e.g., Detroit Diesel Corporation) and address
5. Ship-to location (plant # / street address – including correct zip code)
6. FOB ship-from location
7. Shipment ID (SID) This SID number must also match the ASN and the Packing slip. This number must be exactly the same with no variations including leading zeros, dashes or spaces.
8. Original invoice number
9. Original PO number
10. Reason why the credit memo was issued
11. If a return, RMA number
12. DDC Part / Material number – matching the material # on the PO
13. Quantity adjusted
14. Unit of Measure (must agree to PO)
15. Unit Price and Currency (must agree to PO; defaults to USD if currency not specified)
16. Extended price per line item
17. Total amount of credit
18. Other charges, if applicable, must be stated separately on the invoice (e.g., Core, Freight, Taxes)

5.3 Commercial Invoices for Packaging Material, Tooling and Services – Axle parts only

ALL INVOICES FOR PACKAGING MATERIAL

These invoices must include the following information:

- Supplier name
- Vendor number
- Purchase order number under which the packaged parts have been delivered
- Invoice number
- Invoice date
- Note: invoice for packaging material
- Comment on packaging, e.g., wooden crate
- Banking instructions
- Reference to Shipping Document Number

Note:

- No separate packaging invoices are required if the DDC buyer and the supplier have agreed to roll the packaging into the piece price.
- Packaging material shall not be billed unless prior arrangements in that regard have been made with the DDC buyer.

ALL INVOICES FOR TOOLING

Tooling invoices must include the following information:

- Supplier name
- Vendor number
- DDC purchase order number and PO line number
- Invoice number
- Invoice date
- DDC part number and description (as stated on the PO)
- Quantity
- Unit price according to purchase order
- Total amount due
- Banking instructions

ALL INVOICES FOR SERVICES

Services invoices must include the following information:

- Supplier name
- Vendor number
- DDC purchase order number and PO line number
- Invoice number
- Invoice date
- Description of service (or contractor name/position), as stated on the PO
- Date of service (or week-ending date for contract labor, always a Saturday date)
- Charge per hour/per piece
- Total amount due
- Banking instructions

INVOICE PROCESSING
5.4 Payment Terms

5.4.1 DDC Payment Terms (engine parts)

Payment terms are stipulated in the Purchase Contract. Standard payment terms for inventory purchases are migrating from Net 25th Prox (meaning that invoices dated between the 1st and 31st of the current month are due for payment on the 25th of the following month) to Net 45 Days. Standard payment terms for other Non-Production Materials (NPM) purchases, such as Tooling, are Net 45 days. If especially agreed upon payment terms were made with purchasing, these take the place of the standard payment terms.

Past due payments will generally be made each Wednesday and Friday.

Standard Payment Terms are Net 25th Prox. This means that invoices dated between the 1st and 31st of the current month are due for payment on the 25th of the following month.

5.4.2 Axle Alliance Division Payment Terms

The generally applicable payment terms are:

Standard Payment Terms are Net 25th Prox. This means that invoices dated between the 1st and 31st of the current month are due for payment on the 25th of the following month.

If especially agreed upon payment terms were made with purchasing, these take the place of the standard payment terms.

5.5 Banking Instructions

5.5.1 DDC Banking Instructions (engines only)

DDC’s standard payment method is EFT (Electronic Funds Transfer). To sign up to receive payment via EFT or make any changes to the banking information, the supplier can either contact the master records coordinator at APVendorCode@Daimler.com or find the
forms on the Accounts Payable Vendor Web Portal. For security purposes, a form will need to be completed prior to the actual change.

Remittance advice to support an EFT payment can be either automatically faxed or e-mailed, as specified by the supplier. Alternatively, an EDI 820 transaction can be provided.

5.5.2 DDC, Axle Alliance Division Banking Instructions

For payment of your invoices, please notify Axle Alliance Accounts Payable of your banking instructions immediately following receipt of our initial purchase order. Please use form provided on the following pages:

Review chapter 5.2.6 “Disbursement Analysis Stuff Directory” for individual contact phone/fax numbers.
Sample: “Agreement for Electronic Funds Transfer”

Agreement for Electronic Funds Transfer

Originating Company Name: **Detroit Diesel Corporation, Axle Alliance Division**
ID #: **38-3603967**

DIBS Vendor Code: ________________ New [ ] Change [ ]

(insert name of corporate depositor)

(thereafter called DEPOSITOR) hereby authorizes Detroit Diesel Corporation (hereinafter called ORIGINATING COMPANY) to initiate credit entries, electronically or by any other commercially accepted method, to DEPOSITOR’S (select one) Checking Savings account indicated below, and the depository named below (hereinafter called DEPOSITORY) to credit the same to such account. Depository bank must be able to receive ACH (Automated Clearing House) transactions for US banks or Electronic Funds Transfer for Canadian banks. DEPOSITOR has provided account and routing information (below).

DEPOSITORY
NAME: ____________________________
CITY: ____________________________
STATE: ____________________________

TRANSIT/ABA # : ____________________ (SWIFT CODE)
ACCOUNT # : ________________________ (IBAN)

This authority is to remain in full force and effect until ORIGINATING COMPANY has received written notification from DEPOSITOR of its termination in such time and in such manner as to afford ORIGINATING COMPANY and DEPOSITORY a reasonable opportunity to act on it.

PRINT NAME OF DEPOSITOR: ____________________________
TAX ID / GST TAX NUMBER: ____________________________

By: ____________________________
(Signature of Authorized Official)
Title: ____________________________ Date: ____________________________

For funds deposited to my account, for which I am not entitled, I authorize Detroit Diesel Corporation to direct the financial institution listed above to return such funds.

The EFT Remittance Advice form must also be completed before EFT’s will be initiated.

Please Provide your company’s
EFT Contact Person: ____________________________ EFT Contact Phone #: ____________________________

Email Completed Form to: Detroit Diesel Corporation
Axle Alliance Division
Attn: Accounts Payable
AAC-AP.Pool-ID@Daimler.com

Sample: “EFT Remittance Advice”
**EFT REMITTANCE ADVICE**

THERE ARE FIVE OPTIONS AVAILABLE. PLEASE CHECK WHICH WILL FIT YOUR NEEDS AND CAPABILITIES, AND RETURN WITH THE SIGNED AUTHORIZATION FORM:

<table>
<thead>
<tr>
<th>CHECK ONE:</th>
<th>REMITTANCE ADVICE METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Excel Format</td>
<td>ONLY DEPARTMENTAL or GENERAL EMAIL ADDRESS (NO PERSONAL NAMES WILL BE ACCEPTED) Example: &quot;<a href="mailto:AR@.com">AR@.com</a>&quot;</td>
</tr>
<tr>
<td>2) PDF Format</td>
<td>EMAIL ADDRESS: ________________________________</td>
</tr>
<tr>
<td></td>
<td><strong>PREFERRED METHOD</strong></td>
</tr>
<tr>
<td>3)</td>
<td>FAX REMITTANCE TO VENDOR</td>
</tr>
<tr>
<td></td>
<td>PROVIDE YOUR FAX NUMBER</td>
</tr>
<tr>
<td></td>
<td>FAX #: ________________________________</td>
</tr>
<tr>
<td></td>
<td>CONTACT NAME: ________________________________</td>
</tr>
<tr>
<td></td>
<td>PHONE #: ________________________________</td>
</tr>
<tr>
<td></td>
<td>*MUST BE ABLE TO RECEIVE FAX 24 HRS A DAY</td>
</tr>
<tr>
<td>4)</td>
<td>SUPPLIERS BANK (ACH)</td>
</tr>
<tr>
<td></td>
<td>*REMITTANCE WILL BE SENT DIRECTLY TO THE BANK</td>
</tr>
<tr>
<td></td>
<td>*VENDOR WILL RECEIVE REMITTANCE FROM BANK</td>
</tr>
<tr>
<td>5)</td>
<td>GEIS (820)</td>
</tr>
<tr>
<td></td>
<td>RECEIVER ID: ________________________________</td>
</tr>
<tr>
<td></td>
<td>EDI CONTACT NAME &amp; PHONE NUMBER: ________________________________</td>
</tr>
</tbody>
</table>

**DDC Vendor Code**

___________________________

___________________________

DATE

SIGNATURE

Revised January 2015
Vereinbarung über elektronischen Zahlungsverkehr

Firma: Axle Alliance Company, LLC  
ID #: 38-2772023

DIBS Lieferantennummer : _____________  
Neu [ ]  
Änderung [ ]

______________________________  
(Name des Kontoinhabers)


Konto:  
NAME: __________________________________  ABTEILUNG: __________________________
STADT: __________________________________  BUNDESSTAAT: _______________________
TRANSIT/ABA #: ________________________ (SWIFT CODE)
ACCOUNT #: ___________________________ (IBAN)

Diese Vollmacht bleibt wirksam bis der Firma eine schriftliche Kuendigung des Kontoinhabers vorliegt. Diese muss zeitlich so eingereicht werden, dass die Firma und der Kontoinhaber Gelegenheit haben, darauf zu reagieren.

NAME DES  
KONTOINHABERS: ___________________________  STEUER ID / GST STEUERNummer: __________________

By: __________________________________________  
(Unterschrift eines Authorisierten)

Title: ___________________________________________  Datum: __________________________

Fuer Gelder, die meinem Konto faelschlicherweise gutgeschrieben werden, ermaachtige ich die Detroit Diesel Corporation oben genannte Bank anzuweisen die Zahlung rueckgaengig zu machen.

Das EZV Ueberweisungs Advice Formular muss vollstandig ausgefuellt werden bevor der elektronische Zahlungsverkehr freigeschalten wird.

Bitte geben Sie ihren EZV Ansprechpartner an: ___________________  EZVTechnonummer: __________________

Bitte das Formular ausgefuellt senden oder faxen an:  
Detroit Diesel Corporation  
Axle Alliance Division  
Attn: Accounts Payable  
AAC-AP.Pool-ID@Daimler.com
**EZV Avis**

ES STEHEN FUENF MOEGLICHKEITEN ZUR VERFUEGUNG. BITTE UEBERPRUEFEN SIE WELCHE FUER SIE IN FRAGE KOMMT UND SCHICKEN SIE DIE VOLLMACHT UNTERSCHRIEBEN ZURUECK:

<table>
<thead>
<tr>
<th>CHECK ONE</th>
<th>REMITTANCE ADVICE METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td><strong>NUR ABTEILUNGS oder ALLGEMEINE E-MAIL ADRESSEN</strong> (ES WERDEN KEINE PERSONAL NAMES AKZEPTIERT) Beispiel: “AR@com”</td>
</tr>
<tr>
<td>2)</td>
<td>E-MAIL ADRESSE: ________________________________</td>
</tr>
<tr>
<td>3)</td>
<td><strong>FAX REMITTANCE TO VENDOR</strong></td>
</tr>
<tr>
<td>4)</td>
<td><strong>BANK DES LIEFERANTEN (ACH)</strong></td>
</tr>
<tr>
<td>5)</td>
<td><strong>GEIS (820)</strong></td>
</tr>
</tbody>
</table>

**PREFERRED METHOD**

*Fax muss 24 Std. Pro Tag erreichbar sein*

**ANSPRECHPARTNER & TELEFONNUMMER**: __________________________________________

**EMPFAENGER ID**: __________________________________________

**EDI ANSPRECHPARTNER & TELEFONNUMMER**: __________________________________________

_DDC DIBS Lieferantennummer:_________________________

_________________________  _____________________________
DATUM  UNTERSCHRIFT
5.6 Debit Memos

Suppliers may receive debit memos from DDC for various reasons such as:

- Invoice Price exceeds DDC PO price – DDC engine parts only. To resolve, contact the buyer listed on the purchase order.
- Goods Receipt Quantity less than Invoice Quantity – DDC engine parts only. To resolve contact the plant/dock, go to Sec 5.8.
- Routing instructions not followed, resulting in higher freight costs.
- Packaging instructions not adhered to, resulting in excess handling or damaged goods (line call charges)- To resolve, contact the person listed as the Originator on the debit memo.
- Warranty claims- To resolve, contact the warranty department.
- Returned goods (plant debits)- To resolve contact the plant/dock, go to Sec 5.8.

NOTE: Accounts Payable is unable to provide details for debits initiated outside of the department including, but not limited to, warranty debits, plant returns and line call charges. Debit Memo copies are available on the Vendor Web Portal up to 60 days after payment advice date. Debit memos are posted to supplier's account, auto-faxed or emailed to supplier, and immediately deducted from payment. Debit memos contain specific information describing the discrepancy and what steps to follow if there are subsequent questions.

5.6.1 Disputes

Disputes after payment should be directed as advised on Debit Memos, with pricing questions directed to the purchasing department and quantity discrepancies directed to the receiving location.

5.7 Statements

Suppliers are required to send, each month, a system-generated statement in Excel format of the account(s) showing all open items – including credits and unapplied cash. Statements can be e-mailed to: APHelp@Daimler.com for engine parts or to AAC-AP.Pool-ID@Daimler.com for axle parts. If unable to provide statement by email, statements may be sent to the respective addresses listed in Section 5.2.

5.8 Accounts Payable Contacts

5.8.1 Accounts Payable Contacts – DDC engine parts only

- APHelp@Daimler.com or (503) 745-8662 – invoice submission, status updates, account questions, or if an issue needs to be escalated to Supervisor / Manager.
- APRemit@Daimler.com – to request copy of remittance advice if not available on the Vendor Web Portal.
- APVendorCode@Daimler.com – to update supplier contact information (address, phone, fax, email, etc.) or to request form to update banking details.
- APWebPortal@Daimler.com – to request access to the New Vendor Web Portal.
### Dock/ Plant Contacts for DDC engine parts

When contacting the plant or dock use the group email to dispute debit memos, and receiving issues. You will need to include a copy of the packing slip and proof of delivery.

Email subject line should include:
DOCK NUMBER, VENDOR ACCOUNT, VENDOR NAME, INVOICE OR SHIPMENT NUMBER

Plant email addresses:
REDFORD: DDCRECEIPTS.REDFORD@DAIMLER.COM
CANTON: DDCRECEIPTS.CANTON@DAIMLER.COM

### Accounts Payable Vendor Web Portal- DDC (engine parts)/DTNA only

The Accounts Payable Vendor Web Portal will directly assist suppliers in several ways:
- Finding the status of current invoices in our system, including invoices that are set for payment, waiting to be paid, and those that have paid since the activation date of the supplier’s vendor web portal account.
- Obtaining debit memo copies up to 60 days after it appears on the supplier’s payment advice.
- Accessing details for ERS documents generated by our system
- Accessing forms to change banking information for supplier’s accounts

To sign up please send a request to: APWebPortal@Daimler.com.

### 5.8.2 Accounts Payable Contacts – Axle Alliance

**Amy Mills** – Supervisor
(+1) 313-592-5971
Amy.Mills@Daimler.com

**Virginia Judnich** - All A/P issues
(+1) 313- 592-5069
AAC-AP.Pool-ID@Daimler.com
5.9 Packing Slips

5.9.1 DDC Packing Slips

Included in this section is a sample packing slip for a given delivery of parts to DDC Plant 10/12 and AXLE ALLIANCE-DETROIT:

- **Plant 10 Purchase Orders**
  Production parts for our engine manufacturing/assembly plant in Detroit, Michigan.

- **Plant DETROIT Purchase Orders**
  Production parts for our axle manufacturing/assembly plant in Detroit, Michigan.

To ensure that all shipments are correctly recorded by Receiving, make sure that the following information appears on every packing slip:

1. Supplier's name and address.

2. Please indicate the numbers used by your accounts receivable department for identifying the shipments:
   
   - Invoice Number and/or Packing Slip Number

   Please make sure that, as mentioned before, the English designations are placed in front of the numbers. Without these designations, our coworkers in Receiving are not able to identify the respective numbers and input them into the receiving system. If the English designations are not used, your company may experience delays in the payment of the invoice.

3. The shipping address (Ship To) at DDC

4. For DDC engine parts, the purchase order number (P.O. No.) must be clearly legible. For DETROIT AXLE, the schedule agreement number (S.A. No.) must be clearly legible. The prefixing or suffixing of additional numerals, such as zeros, to the number is prohibited.
   
   Example: P.O. 1591111111 or for MRO P.O.s M13997R1        Example: S.A. 5511111111

5. The name of the carrier (Shipped Via) and the Bill of Lading must be indicated.

6. The part numbers (Part Number) of the shipped parts must be indicated in an easy-to-read manner so that our personnel in Receiving and QA are able to identify them without problem. Do not add any items (part numbers) to the packing slip that are not included in the shipment.

7. Name of the part (Description).

8. The quantity shipped (Qty Shipped) indicated in the packing slip must be clearly legible so as to preclude any ambiguity when the quantity is recorded by our personnel in Receiving. In the event that additional quantities, e.g., a remaining quantity still to be shipped, are indicated, they must be clearly set apart so as to preclude confusion. The quantity shipped must appear in the same line as the related part number so that the relationship is easily noted.

9. Returnable packaging material (Returnable Dunnage), too, must be noted on the packing slip.

10. The **ASN number** for the shipment or a reference to the number that is used as the **ASN Number** (For example using the Invoice Number and/or Packing Slip number as the ASN Number) must be located and identified on the packing slip. The **ASN Number**
used for the EDI transmission must appear on the Packing Slip in the same format (Example: EDI = A123B456 ASN on Packing Slip: = A123B456) to increase receiving accuracy. (DDC ONLY)

11. If special instructions were specified in the purchase order, these must be indicated under the heading Special Instructions within the body of the packing slip. E.g.: Parts must go to Receiving Inspection for PPAP-Approval.

12. The packing slip must state the Country of Origin, e.g., "Made in Germany."

The packing slip, enclosed in a protective, transparent plastic envelope, must be securely affixed to the outside of the container. A second copy of the packing slip should be place inside the respective container. Thus, a reserve copy is provided for in case the packing slip affixed to the outside of the container is lost during transportation.
Sample: “Packing Slip – DDC Plant 10”

1. Jeff Johnson

Sample Company
Detroit, MI 48027

(330) 555-5678 FAX (330) 555-2856

3. Ship To: Detroit Diesel Corporation
   West Receiving Dock (6)
   13400 W. Outer Drive
   Detroit, MI 48239

4. Invoice Date: 02-09-96
   Ship Date: 02-09-96
   P.O. No.: 15911
   Shipped Via: Sample Shipping Company
   Bill of Lading: 2390193
   FOB Terms: FCA
   Terms: 25th prx.

6. Part Number | Description | Qty Shipped
--- | --- | ---
1234568 | Part Description | X

8. Returnable Dunnage

10. ASN Number: See Packing Slip Number OR ASN Number: 98765432

11. SPECIAL INSTRUCTIONS: Must go to Inspection for PPAP-Approval

12. COUNTRY OF ORIGIN: Germany
Sample: “Packing Slip – DETROIT AXLE”

Jeff Johnson

Packing Slip No.: 98765432
Invoice No.: 45582/99

Sample Company
Detroit, MI 48027

(330) 555-5678 *FAX (330) 555-2856

Ship To: DETROIT AXLE Corporation
West Receiving Dock (3)
13400 W. Outer Drive
Detroit, MI 48239

DETOUR AXLE Division

<table>
<thead>
<tr>
<th>Invoice Date</th>
<th>Ship Date</th>
<th>S.A. No.</th>
<th>Shipped Via</th>
<th>Bill of Lading</th>
<th>FOB Terms</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>02-09-96</td>
<td>02-09-96</td>
<td>5511111111</td>
<td>Holland Motor</td>
<td>2390193</td>
<td>FCA</td>
<td>25th prx.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part Number</th>
<th>Description</th>
<th>Qty Shipped</th>
</tr>
</thead>
<tbody>
<tr>
<td>05248719</td>
<td>Gasket, Head</td>
<td>175</td>
</tr>
<tr>
<td>05198523</td>
<td>Gasket, 1/8&quot;</td>
<td>200</td>
</tr>
<tr>
<td>23501111</td>
<td>Gasket, 1/8&quot; PTF x 3/32&quot;</td>
<td>600</td>
</tr>
<tr>
<td>08921114</td>
<td>Gasket, XXXXL</td>
<td>20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Returnable Dunnage</th>
</tr>
</thead>
<tbody>
<tr>
<td>LDW</td>
</tr>
<tr>
<td>Large Wire Baskets</td>
</tr>
<tr>
<td>15</td>
</tr>
<tr>
<td>OD1</td>
</tr>
<tr>
<td>Diesel Skids</td>
</tr>
<tr>
<td>5</td>
</tr>
</tbody>
</table>

SPECIAL INSTRUCTIONS: Must go to Inspection for PPAP-Approval

COUNTRY OF ORIGIN: Germany
5.9.2 Plant 15 Packing Slip

Included in this section is a packing slip example for a given delivery of parts to DDC Plant 15 (The same format is required for DETROIT AXLE Orders):

- **Plant 15 Purchase Orders**
  - Experimental Parts
  - Tooling
  - Services

To ensure that all shipments are correctly recorded by DDC Receiving, make sure that the following information appears on every packing slip:

1. Supplier's name and address.

2. Please indicate the numbers used by your accounts receivable department for identifying the shipments:
   - Packing Slip Number and / or Invoice Number

   Please make sure that, as mentioned before, the English designations are placed in front of the numbers. Without these designations, our coworkers in Receiving are not able to identify the respective numbers and input them into the Receiving system. If the English designations are not used, your company may experience delays in the payment of the invoice.

3. The shipping address (Ship To) at DDC, including the name of the person who may need to be notified of the delivery.

4. The purchase order number (P.O. No.) must be clearly legible. The prefixing or suffixing of additional numerals, such as zeros, to the number is prohibited.

5. The name of the carrier (Shipped Via) and the Bill of Lading must be indicated.

6. Line number (Line No.) on the purchase order.

7. Our requisition number (REQ #), in conformity with the purchase order.

8. The part numbers (Part Number) of the shipped parts must be indicated in an easy-to-read manner so that our personnel in Receiving and QA are able to identify them without problem. Do not add any items (part numbers) to the packing slip that are not included in the shipment.

9. Name of the part (Description).

10. The quantity shipped (Qty Shipped) indicated in the packing slip must be clearly legible so as to preclude any ambiguity when the quantity is recorded by our personnel in Receiving. In the event that additional quantities, e.g., a remaining quantity still to be shipped, are indicated, they must be clearly set apart so as to preclude confusion. The quantity shipped must appear in the same line as the related part number so that the relationship is easily noted.

11. If special instructions were specified in the purchase order, these must be indicated under the heading **Special Instructions** within the body of the packing slip.

12. The packing slip must state the **Country of Origin**, e.g., "Made in Germany."

13. The Schedule Agreement number (S.A. No.) must be clearly legible. The prefixing or suffixing of additional numerals, such as zeros, to the number is prohibited. Example S.A.5511111111

The packing slip, enclosed in a protective, transparent plastic envelope, must be securely affixed to the outside of the container. A second copy of the packing slip should be placed inside the respective container. Thus, a reserve copy is provided for in case the packing slip affixed to the outside of the container is lost during shipping.
Sample: "Packing Slip – Plant 15"

Jeff Johnson

Sample Company
Detroit, MI 48027

(330) 555-5678 *FAX (330) 555-2856

Ship To: Detroit Diesel Corporation
West Receiving Dock (6)
13400 W. Outer Drive
Detroit, MI 48239

<table>
<thead>
<tr>
<th>Invoice Date</th>
<th>Ship Date</th>
<th>P.O. No.</th>
<th>Shipped Via</th>
<th>Bill of Lading</th>
<th>FOB Terms</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>02-09-96</td>
<td>02-09-96</td>
<td></td>
<td>Sample Shipping Company</td>
<td>2390193</td>
<td>FCA</td>
<td>25th prx.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line #</th>
<th>REQ #</th>
<th>Part Number</th>
<th>Description</th>
<th>Qty Shipped</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>654321</td>
<td>12345678</td>
<td>Part Description</td>
<td>X</td>
</tr>
<tr>
<td>....</td>
<td>....</td>
<td>....</td>
<td>....</td>
<td>....</td>
</tr>
</tbody>
</table>

SPECIAL INSTRUCTIONS: Please route the parts to Steve Miller, Series 2000 Engineering

COUNTRY OF ORIGIN: Germany
6. **U.S. Import Compliance**

This Shipper's Guide to U.S. Customs Compliance serves as a general reference for the U.S. Customs procedures to be followed during the development, manufacture, purchase, shipment, reception, storage and withdrawal for sale in North America of products by Daimler Trucks North America LLC (DTNA). This Guide is an educational tool. It includes general procedures and is intended to give all personnel who are responsible for Customs-related functions, a clear understanding of how their responsibilities contribute to DTNA's compliance with customs laws, regulations and policies. It is our intention to communicate our requirements and expectations to our suppliers, our dealers, our parts distribution centers, our manufacturing plants, and any other entity that could be considered a shipper of cargo for which DTNA is ultimately responsible.

As an importer of merchandise, DTNA is aware of the need to establish a strong compliance posture in its relationship with U.S. Customs & Border Protection. DTNA's internally designed and managed Customs Compliance program is aimed at meeting the goals set forth in the Customs Modernization Act, which promotes a partnership between the importing community and United States Customs & Border Protection.

DTNA is the “importer of record” for all DTNA goods. All import compliance concerns are managed through the Daimler International Trade Compliance Department.

This Guide documents DTNA’s internal operating procedures with respect to the importation of goods produced abroad. It is not intended to operate as a substitute for the ongoing decisions or directives of management. Questions with regard to any issue relating to international trade compliance should be referred to the Senior Manager - International Trade Compliance, or designee, who is tasked with the primary responsibility for interacting with United States Customs & Border Protection on behalf of the company.

Following is the Supplier’s Guide Table of Contents. Detailed information on each topic can be found at


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7. **Transportation / Logistics**

7.1 **Introduction**

This section outlines the preferred modes and methods of transporting material to DDC where DDC is the responsible party for freight as stipulated by the terms of the Purchasing Agreement.

DDC reserves the right to invoice the Supplier for any additional expenses incurred due to non-compliance on the part of the Supplier of the requirements set forth in this section.

If no shipping instructions have been issued by the logistics department prior to the first scheduled deliveries, please contact one of the following DDC Logistics staff:

- Jacqueline Griffie - Logistics Analyst (+1)313-592-3797, jacqueline.griffie@daimler.com
- Marisol Hernandez - Logistics Analyst (+1) 313-592-5393, marisol.hernandez@daimler.com
- Jason Heilbrun - Logistics Analyst (+1)313-592-5215, jason.heilbrun@daimler.com
- Leah Erfourth – Supervisor, Inbound Logistics (+1) 313-592-5019, leah.efourth@daimler.com
- Alicia Brown – Manager, Inbound Logistics (+1) 313-592-7941, alicia.brown@daimler.com

7.2 **Domestic Transportation**

**THIRD PARTY LOGISTICS PROVIDER**

DDC employs the services of a third party logistics provider, Penske Logistics, to plan and manage material flow from domestic suppliers into DDC. Please cooperate with Ryder representatives as you would DDC employees and provide them with the information necessary to optimize our freight costs.

Suppliers will be contacted by a Ryder representative and asked to fill out a part and packaging survey. The results of this survey will be used to identify the appropriate shipping mode. It is imperative that the survey be returned in a timely manner.

**ROUTING INSTRUCTIONS**

All domestic suppliers will be issued Domestic Supplier Routing Instructions outlining correct carrier usage based on weight breaks and levels of service.

If the Supplier is to be part of a Managed Route, a JIT conference call will be held with the Supplier, Carrier, Ryder, and DDC where transportation instructions will be communicated. All participants will be provided with JIT-Minutes which will include:

- Pickup and Delivery window times
- Contact information
- Requirements & Expectation for all parties
The JIT-Minutes will supersede any previous Routing Instructions. Any deviation from the managed route must be approved by the DDC Scheduler.

EXPEDITED SHIPMENT

Any expedited shipment that is to be paid for by DDC, must be authorized through a PFA (premium freight authorization number). A PFA number will be provided to the supplier prior to an expedited shipment. The supplier should call the expedited carrier listed on the Routing Instructions, referencing the PFA number. Our contracted carriers will refuse loads called in without this number.

DOCK SCHEDULES

DDC requires delivery appointments. Penske Managed Routes and many of our contracted carriers already have assigned window times. Any shipments made outside of the Routing Instructions, even if made at the supplier’s expense, must have a delivery appointment.

TRAILER LOADING

It is the supplier’s responsibility to properly secure with stretch wrap, banding, and/or other means (except stapling boxes to pallets) all material for shipment.

It is the supplier’s responsibility to properly and safely load the shipping conveyance (sea container, truck etc.) for transport. This includes securely blocking and bracing units loads to avoid shifting in transit.

The supplier can held financially responsible for any damaged material and/or extra handling charges that result from loads not being properly loaded, block and braced.

7.3 International Transportation

FREIGHT FORWARDING AGENTS

In almost all cases where the origin supplier is outside of the domestic United States, DDC employs the services of a Freight Forwarder to plan and manage material flow from international suppliers into DDC/AAC. Please cooperate with our selected agents’ representatives as you would DDC employees and provide them with the information necessary to optimize our freight costs.

While our freight forwarding agents can vary by region of the world for many reasons (cost, service, etc.), we attempt to align ourselves with strategic partners in specific regions that will manage our business and keep our transportation costs as competitive as possible. Regardless of mode of transport (Full container (FCL), Less than full container (LCL) and Air freight) our standard terms of sale (Incoterms) will be Free Carrier-Supplier Dock (FCA). The standard mode of transport will be Sea Freight (Ocean Transport) and any deviation otherwise requires prior approval from an authorized representative of DDC Logistics and/or Purchasing.

As such, and as defined and published by Incoterms-2010, FCA dictates that the Seller delivers the goods, cleared for export, to the carrier nominated by the Buyer at said Sellers dock. Therefore, the Seller is responsible only for clearing the goods for export and loading the goods on our selected carrier at named place (Sellers Dock). All ownership and risk are transferred to the Buyer upon completion of these steps.
US CUSTOMS BROKER

For all shipments entering the United States from foreign countries, our customs broker should be noted on the bill of lading and/or commercial invoice (pro-forma invoice) as the “notify party”. Our nominated Customs Brokers are:

Shipments from Mexico – DHL Global Forwarding Fax # (+1) 956-229-6221 or detroitdieselrd@dhl.com

Shipments from Canada – DHL Global Forwarding Fax # (+1) 810-966-8545 or detroitdieselaxlealliance.com

Shipments from all other countries – DHL Global Forwarding Fax # 1 803-540-8412 or detroitdieselaxlealliance.com

E-Mail is the preferred method to receive documents.

ROUTING INSTRUCTIONS

All International suppliers will be issued International Supplier Routing Instructions outlining the designated Freight Forwarder and shipping information. Each International supplier should receive a routing letter as part of the Purchase Order process. If a supplier has not been provided with routing letter documentation, please contact DDC International Logistics well in advance of expected ship date. International suppliers will also be notified of any changes in service providers and will be required to sign-off reflecting they have received and understand the routing instructions. Each new copy of the routing instruction will supersede any previous instructions.

Failure to comply with DDC routing instructions can and will result in the violating supplier being charged back for any additional transportation and administrative fees we have incurred due to any routing failure.

EXPEDITED SHIPMENT

Any expedited shipment that is to be paid for by DDC must be authorized through our PFA (premium freight authorization) system. A PFA number will be provided to the supplier prior to an expedited shipment. When calling the designated Freight Forwarder, the PFA number must be referenced. The Freight Forwarder will refuse the shipment without this number. Any shipment expedited into any of our operations without prior approval and without an authorization number will be charged back to the supplier.
8. Engineering Changes

8.1 Introduction

When any engineering changes are required for a component supplied to DDC, the supplier will be notified by electronic communication. Accompanying the request for change will be any and all required drawings or specifications to further explain the change. Upon receipt of the change notice, you should take the following steps:

- You are requested to respond to the change notice according to sections 8.1.1 or 8.1.2 within 30 days. This confirms to us that the change notice was received by your company.
- Implementation of the engineering change(s) as quickly as possible, when no changes in unit price or additional tooling costs are incurred.
- If cost charges are required, the buyer must be informed without exception prior to implementation of the change(s).
- Inform the buyer how many parts you currently have in process or as finished parts in inventory and upon which it is no longer possible to make the change.
- Inform the supplier management department the date on which you will submit sample parts, including initial sample inspection report (PPAP). A new initial sample approval is required for engineering changes made to a part for dimensional and/or material changes.

8.1.1 Engineering Change Notice Communication (engine parts)

The supplier management department will notify the supplier of engineering changes to series parts, also including all requirements for sample parts with an Initial Sample (PPAP), via the Daimler eSEP++ system. The revised drawing level will be attached to the eSEP++ request.

8.1.2 Engineering Change Notice Communication (axle parts)

The supplier management department will notify the supplier of engineering changes to series part via Engineering Change Notice Acknowledgement Letter per section 8.3.

8.2 Engineering Change Notice (Axle Alliance Division)

The Engineering Change Notice documents which engineering changes have been made to a part. The Engineering Change Notice is initiated by our Engineering Department and is then forwarded to the Purchasing Department. It is the responsibility of the Purchasing Department to communicate the Engineering Change to the supplier.
Following is an engineering change notice example with explanations:

1. **Date:** Date Change Notice was issued.
2. **ECR:** Engineering Change Notice Number
3. **Part No.:** Part Number affected by the engineering change.
4. **Part Name:** Description of the part.
5. **Change Description:** Brief description of the engineering change.
6. **Issued by:** Engineer who initiated the engineering change.
7. **Supersedes / Superseded:** This field states if the change also includes a part number change.
8. **Draw Date:** Drawing Date
9. **Drawing & Revision:** Drawing Number and Revision
10. **Details of change:** Details of the engineering change. Often this field references to the print(s) which reflects the changes made.

Sample engineering change notice on next page
CHANGE NOTICE

DATE: 04/27/08

ECR: 2008-F-009

PART NUMBER: A6809940011

PART NAME: Cotter Pin

CHANGE DESCRIPTION: Add Zinc Coating to Cotter Pin

ISSUED BY: Andi Mitrache

SUPERSEDES/SUPERSEDED: Revision Change/No Part Number Change

DRAWING DATE: 3/27/2008

DRAWING & REVISION: A6809940011 Revision 2

DETAILS OF CHANGE: The addition of zinc coating to existing part. Change reflected in drawing change from revision 1 to 2.
# Engineering Change Notice Acknowledgment Letter (Axle Alliance)

You are requested to confirm the Engineering Change Notice Acknowledgment Letter with signature that you have received and understood our Engineering Change.

Following is an engineering change notice acknowledgment letter example with explanations:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Date:</strong></td>
<td>Date on which the change notice letter was issued.</td>
</tr>
<tr>
<td>2. <strong>Address:</strong></td>
<td>Supplier's name and address.</td>
</tr>
<tr>
<td>3. <strong>Part #:</strong></td>
<td>The part number(s) affected by the change notice.</td>
</tr>
<tr>
<td>4. <strong>Description:</strong></td>
<td>Description of the part(s) affected by the change notice.</td>
</tr>
<tr>
<td>5. <strong>E/C #:</strong></td>
<td>Blueprint revision level number.</td>
</tr>
<tr>
<td>6. <strong>Dated:</strong></td>
<td>Date on which the engineering change was approved by AAC - Engineering.</td>
</tr>
<tr>
<td>7. <strong>Axle Alliance</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internal Tracking #: Internal tracking number for the purchasing department.</td>
</tr>
<tr>
<td>8. <strong>Responsibilities:</strong></td>
<td>Responsibilities of the supplier following receipt of the change notice:</td>
</tr>
<tr>
<td></td>
<td>- Immediate implementation of the change request, when the unit price and/or the tooling costs are not affected.</td>
</tr>
<tr>
<td></td>
<td>- If cost charges are required, contact the buyer immediately.</td>
</tr>
<tr>
<td></td>
<td>- Inform the buyer how many parts are in inventory and upon which it is no longer possible to effect the change.</td>
</tr>
<tr>
<td></td>
<td>- Name the date on which the sample parts and initial sample inspection report will be submitted.</td>
</tr>
<tr>
<td>9. <strong>Buyer:</strong></td>
<td>Buyer that has sent the engineering change notice acknowledgment letter to the supplier.</td>
</tr>
<tr>
<td>10. <strong>Receipt is hereby acknowledged by:</strong></td>
<td>Signature of the supplier who confirms receipt of the change notice.</td>
</tr>
<tr>
<td>11. <strong>Expected PPAP/MTQ Submission Date:</strong></td>
<td>Date for the submission of the sample parts/initial sample inspection report.</td>
</tr>
<tr>
<td>12. <strong>Date:</strong></td>
<td>Date on which the engineering change notice acknowledgment was signed by the supplier.</td>
</tr>
<tr>
<td>13. <strong>Supplier:</strong></td>
<td>Name of the company</td>
</tr>
<tr>
<td>14. <strong>cc:</strong></td>
<td>A copy of the change notice is sent to Axle Alliance Receiving Inspection Department in Redford and Canton.</td>
</tr>
</tbody>
</table>
As soon as you have completed and signed the Engineering Change Notice Acknowledgment Letter, please return it to both the responsible buyer and supplier management contact.

**Engineering Change Notice Acknowledgment Letter sample on next page**
Sample: “Engineering Change Notice Acknowledgment Letter”

Dear Supplier,

This notice reflects the latest engineering change information. This authorizes you to incorporate these changes in all production parts if piece or tooling costs are not affected. If there is a change in costs, please contact the appropriate buyer. Also, advise the buyer the quantity of parts now in process in which the above change cannot be incorporated.

You are required to contact Axle Alliance Supplier Quality to determine whether a new PPAP must be submitted.

PLEASE ACKNOWLEDGE BY SIGNING THIS NOTICE AND RETURNING IT TO THE BUYER WITHIN 10 DAYS.

________________________________________________________________________
Date

________________________________________________________________________
Supplier Signature

________________________________________________________________________
Name and Title

________________________________________________________________________
Company Name

________________________________________________________________________
Expected PPAP Submission Date
9.0 Warranty

9.1 Introduction

The DDC warranty process is designed to improve overall brand quality. Active supplier participation in the process ensures the timely resolution of quality issues and increases both customer and dealer satisfaction.

9.2 Warranty Agreement

Suppliers are required to have a signed warranty agreement with DDC.

9.3 Warranty Process

9.3.1 Authorized Repair Facility Claim Submittal

The warranty process begins when a customer takes their vehicle to a DDC repair facility for a repair. An authorized DDC repair facility checks to see if the vehicle has warranty coverage, performs a repair, and submits the warranty claim using a web-based warranty system called DTW (Detroit Warranty).

DTW has up-front filters that will only allow a claim to be validated if the vehicle has warranty coverage for the repair performed. Coverage depends on the make and model of the Detroit component, and goes into effect on the vehicle's in-service date. The date and mileage at the time of the failure must fall within the time and mileage parameters of the coverage for the claim to be approved.

9.3.2 Claim Processing

Warranty claims are processed manually by the warranty processing group or automatically by DTW.

Warranty claims containing parts, labor and outside charges that meet the parameter criteria for auto processing are accepted into the warranty system.

Suppliers are debited in accordance with their warranty agreements.

Warranty claims that do not meet the parameters for auto-processing, are processed manually. The manually processed claims are reviewed by the Warranty Administration Team to validate that the parts, labor and outside charges included in the claim are correct. A claim can be paid, canceled, or denied.

Repair facilities are paid for the claim once it has been approved for payment.

9.3.3 Supplier Response

DTW generates a warranty claim report. This report includes a detailed breakout of each individual claim. The Quality department requires timely responses within the time frames outlined by the supplier warranty agreement. Claims not responded to within these timelines are subject to debit.
9.3.3.1 Scrap Claims

Warranty claims that do not require the dealer to return the failed part are called scrap claims. Scrap claims require a valid response from the supplier within 30 days of the “submit to supplier” date. The warrantability of the claim is determined by the dealer’s explanation of the failure in the warranty claim story.

9.3.3.2 Return Claims

Warranty claims that require the dealer to return the failed part are called return claims. Return claims require a valid response from the supplier within the required response time of the “ship to supplier” date as defined in the warranty agreement. The ship to supplier date begins when the tracking information for the failed part is entered into the DTW system manually.

Dealers have the option to request the return of failed parts that have been determined to be non-warrantable. If the dealer does not request that the part be returned, the part can be scrapped.

9.3.4 Warranty Recovery

Suppliers respond to warranty claims directly to the Quality Department in an 8D- format. The warranty recovery analyst reviews the response from the supplier and adjudicates the claims accordingly. Claims that are paid by the supplier are closed using a supplier credit memo number or a system generated debit number. Claims that are denied, or short paid by the supplier, will be reviewed by the warranty recovery analyst. The warranty recovery analyst will work with the supplier to come to an agreed upon resolution for supplier rejected claims.

9.4 Failed Parts Return

Suppliers are encouraged to work with DDC on behalf of the end-customers to reduce failed part returns to an appropriate level. Reduction in part returns is achieved by a fast failure solution and responding to warranty claims based on the claim’s failure description, whenever possible, or setting up a sampling, or percentage request for returns. Suppliers requesting parts to be returned are responsible for all freight cost associated with returning the part, regardless of the warrantability of the part.