
DAIMLER

Daimler India Commercial Vehicles Pvt. Ltd.

Daimler India Special Terms 2012

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Introduction

1. The **Daimler India Special Terms** ("DIST") are a set of rules governing the supply arrangement (including any communication of technical or other information and processes) between Daimler India Commercial Vehicles Pvt. Ltd. (DICV) and the supplier. The supplier shall further ensure that their sub-suppliers are in compliance with the DIST.

The DIST form an integral part of the contract along with other agreements including but not limited to the General Terms and Conditions of Daimler India Commercial Vehicles Pvt. Ltd. for the Purchase of Production Material and Spare Parts that are specifically mentioned in the purchase contract.

2. **Publication**

The latest version of the DIST is published on the centrally accessible DICV Supplier Portal at <http://daimler.covisint.com>. In the event of any legal or operational changes/ reforms, individual DIST may be separately revised during the year and the supplier will be informed of this by DICV.

Reproduction is allowed and supported for individual departments within the supplier's enterprise.

3. **Communication**

English shall be the language of communication between DICV and the supplier.

4. **Authoritativeness of the English Version**

The DIST are published in English only.

Daimler India Commercial Vehicles Pvt. Ltd.

Tools for Series Production Part and Spare Part Delivery

1. General

- 1.1. Within this supply arrangement, tools shall be considered to be original, forming and severing tools in accordance with the definitions of DIN 8580/8582/8588. No other production equipment is to be regarded as tools.
- 1.2. The provisions relating to tools contained in these DIST shall, in addition to tools in the custody of the supplier, also govern tools located at the premises of sub-suppliers or other third parties. The supplier is obliged to ensure that sub-suppliers or third parties having tools located at their premises comply with these DIST and grant DICV the rights formulated herein, particularly to tools identified as property of DICV.
- 1.3. In order to ensure uninterrupted supply of parts by the supplier, DICV shall obtain ownership of all existing and subsequent jigs, fixtures and gages by way of security. In the event of an interruption in supply by the supplier, DICV may demand that the jigs, fixtures and gages be surrendered to it promptly and additionally, DICV will reimburse to the supplier the percentage of the jig, fixture and gage costs which have not yet been amortized. On reimbursement of these costs, DICV shall obtain ownership of the jigs, fixtures and gages.
- 1.4. With regard to tools, a distinction must be made between tools which are or will become the property of DICV (hereinafter "**DICV-owned tools**") and tools which are not the property of DICV (hereinafter "**non-DICV-owned tools**").

Regardless of ownership, the supplier must handle all tools and other production equipments with the degree of care necessary to guarantee that DICV is properly supplied without any interruption.

- 1.5. DICV is entitled to verify adherence to these DIST at the supplier's premises during its normal hours of operation and following prior coordination with the supplier. The supplier will support DICV in this matter, and will in particular ensure that the documents pertaining to the tools are available for inspection.

2. DICV-Owned Tools

The following stipulations regulate the supplier's and DICV's rights and obligations with regard to the use of DICV-owned tools by the supplier.

2.1. Authorization to Use Tools

The supplier is hereby authorized and required to use DICV-owned tools within the framework of the supply contract concluded with DICV concerning the part to be manufactured with the tools.

The supplier shall use the tools only for the purpose of fulfilling its manufacturing obligations under the supply contract. Hence the supplier is prohibited from any deviating use of DICV-owned tools in particular the use of tools for production of parts to supply third parties or the transfer of usage to third parties or unauthorized handover of tools to third parties, without the prior written consent of DICV.

2.2. Servicing and Tool Maintenance

As a consideration for availing the tools from DICV free of charge, the supplier shall abide by the following terms of maintenance. The supplier shall ensure constant defect-free functional capability and readiness of the tools during their use within the framework of the supply contract with DICV for the purpose of uninterrupted delivery to DICV by means of continuous maintenance and repair at its own expense. The maintenance and repairs shall, in particular, encompass all expenditure necessary for preserving the operating condition and removing all defects, damages, modifications (if any) and deterioration as a result of using the tools.¹

2.3. Tool Changes

In the event where changes in DICV's technical specifications require any modification to the tools, the supplier must submit a prior written offer to DICV to modify the tools with the least possible expenditure.

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

No other circumstance shall warrant any modification to the tools.

¹ If a yield volume has been agreed, this applies only to the agreed yield volumes.

2.4. Identification and Stock Taking

The supplier must clearly and permanently identify those tools which are DICV-owned tools as the property of DICV. During stock taking at the end of the year, the supplier shall transfer the necessary information and where required, documentation on such DICV-owned tools in its possession to DICV.

The supplier shall not exchange, lease or license the tools and further agrees not create any charge, interest, lien on the tools. Supplier will declare to its bankers, creditors and auditors about the ownership right of DICV in respect of the tools so as to ensure that the tools are free from any charge, attachment, encumbrance or hindrance for any reason whatsoever. In the event the rights of DICV in such tools are endangered by means of enforcement measures, particularly attachment, seizure or insolvency proceedings, the supplier shall inform DICV thereof without delay. In any case, the enforcement agency shall be informed without delay of DICV's right of ownership. At the same time, the supplier shall forward copies of the enforcement documents to DICV without delay.

2.5. Liability

The supplier bears liability for all defects, damages, modifications to, or deterioration² in, the tools. The supplier is not to be held liable if these tool defects, damages, modifications or deterioration are attributable to Acts of God provided however the supplier shall take all measures necessary and possible to mitigate the extent of such defect, damage, change or deterioration.

The supplier must ensure that no personal injury or property damage is caused by the tools. The supplier shall indemnify, defend and hold harmless DICV from and against any such claims of damage or injury.

2.6. Duty of Return

At the end of delivery or termination of contractual relationship with the supplier, the supplier shall return the tools to DICV in the condition to be expected following proper fulfilment of the supplier's duties arising from these DIST. All liens and rights of retention of the supplier in respect of the tools are excluded.

3. Non-DICV-Owned Tools

Insofar as Non-DICV-Owned tools are concerned, DICV shall obtain ownership of the existing and subsequent tools by way of security in order to ensure delivery.

DICV reserves its right to demand surrender of tools to DICV in the event of an interruption in delivery. In this case, DICV may reimburse the supplier the percentage of the tool costs which has not yet been amortized. Upon reimbursement of such costs, DICV shall be deemed to have unlimited ownership of the tools.

The supplier is obliged to obtain the written consent of DICV prior to scrapping tools which it uses or has used to manufacture parts for DICV. If DICV does not approve scrapping, a mutual settlement regarding costs must be agreed.

² If a yield volume has been agreed, liability for deterioration applies only to the agreed yield volumes.

Supply of Spare Parts for DICV Products

1. General

Supply of high quality spare parts is an important purchasing quotient for DICV customers and thus an essential competitive feature of DICV products. With regard to pricing, quality and deadlines, the supply of spare parts is therefore just as important to DICV as the supply of production parts.

2. Definition of Spare Part

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

The expression 'spare part' includes aggregates, components, mother part, child part, repair parts, kits, oversize service parts etc.

For products/systems/major units, the particular spare parts are as mutually agreed between DICV and the supplier.

3. Parallel Sales

If DICV develops the product on its own or DICV has paid the supplier for development of the product, or the product is manufactured from DICV-owned tools, the supplier is obliged to supply product including spare parts only to DICV. DICV shall charge the supplier compensation amounting to 10% of the DICV gross list price per part in every case of a violation. Furthermore, the supplier shall be obliged to furnish to DICV all particulars of unit volumes and purchasers of spare parts supplied in parallel.

Moreover the supplier shall not be entitled to supply to third parties any spare parts branded with a DICV trademark or DICV part number without prior permission in writing by DICV. If the brand is used in an unauthorized or unlawful manner and the supplier is at fault, an additional penalty of 5% of the DICV gross list price shall be payable. Therefore the total compensation payable is 15% of the DICV gross list price.

In case of supplier proprietary goods, the supplier shall not be entitled to supply to third parties any parts branded with a DICV trademark or DICV part number without prior permission in writing by DICV. Further, in order to avoid damaging the image and reputation of DICV brands, parallel sale of spare parts by suppliers is not permitted where the DICV brand has recognizably been rubbed out, scratched off, removed or otherwise tampered with by an external agent. Covering DICV brands or part numbers with stickers or paint or any other manner is also not permitted.

The aforesaid compensation is in addition to the right of termination of the supplier and other legal remedies available to DICV.

4. Brands

The supplier commits itself to mark the spare part as specified by the drawings. The DICV brand name is to be affixed to all spare parts in accordance with the specifications (MBN 33015, MBN 33036) or any other specifications prescribed by DICV. The supplier's own markings or those attributable to the supplier on the spare parts must not exceed the size of DICV brand names.

5. Period of Supply and Purchase Right

The supplier undertakes to supply DICV with spare parts for the product for a period of at least 15 years after discontinuation of production.

Parts-specific production equipment for the model series or parts may only be scrapped with the written consent of DICV, regardless of ownership status.

6. Pricing

For spare parts delivered during the series production delivery period, the series production price during the current series production period shall apply.

Following the global discontinuation of production (from case to case), the series price for the supply of spare parts to DICV shall be retained further for three calendar years. Within this period, the initial production price (last valid series price) plus the costs for special packaging actually incurred by the supplier remains applicable. After the period of three years, all requests for price adjustments shall be demonstrated in detail and substantiated. This will form the basis for further negotiations.

In the case of supply of individual parts from systems/aggregates or individual replacement parts for series production assemblies during series production runtime, the price is determined with the help of a price analysis or breakdown. The installation costs are deducted from the price. The price of individual replacement parts is to be agreed on this basis even if the individual part has not been created as an independent part number before the start of production.

7. Documentation of Spare Parts

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

The scope of the documentation (CATIA 3D drawings, parts lists etc.) and the deadline for its completion will be agreed between the DICV Spare Parts Engineering department and the supplier.

Production Part Approval Process (PPAP)

1. Introduction

In accordance with ISO/TS 16949, the supplier must carry out a PPAP process for series production approval. Unless otherwise specified in the following, the requirements made under this process are oriented towards the relevant, current issue of PPAP standard (AIAG guidelines). In individual cases, a different process (only after approval from DICV) may be coordinated with the DICV Quality/Supplier Management department.

2. Application Area

PPAP process shall be applicable to all suppliers unless waived off in writing by DICV. The PPAP process must also be carried out in the case of standard parts (parts whose item number begins with "N"). In case of software, same/similar or any other process as defined by DICV shall be followed.

DICV may request an initial sample inspection report for delivery and for all component parts with DICV item numbers contained therein.

3. Basics of the PPAP

3.1. Series Production Approvals from Other Daimler Plants

If the supplier has already carried out an approval process and has received series production approval from other Daimler plants and no trigger for a new PPAP process is present, same PPAP approval shall be considered by DICV.

3.2. Identification of the Parts

Parts for which sampling has not yet been carried out must be identified with a red sticker (Ø approx. 20 mm) specifying the development status in accordance with the development part life record (Exx, whereby xx is the sequential index). In consultation with DICV, these parts must be presented as "other samples" and serve exclusively for design stage validation. No series production approval is issued for "other samples".

Beginning with the initial sampling of parts from series production tools and the series production process, these parts must be identified with a white sticker specifying the quality status in accordance with the quality part life record (Qxx) up to completion of the final DICV production test/try out. In the case of coloured parts, the color status in accordance with the coloured part life record (Fxx) must additionally be specified.

In cases of any deviation from the above specified requirements DICV Quality/Supplier Management department shall communicate the same to the supplier.

4. Triggers for the PPAP Process

DICV Quality/Supplier Management department responsible for series production approval must be notified of all production processes and product modifications. Unless otherwise agreed, proceed according to the following matrix.

Trigger	Execution of PPAP	Information to Purchasing	Information to Logistics
New parts	✓		
Product modification	✓		
Production relocation	✓	✓	✓
Production process modification	✓		
Test process modification	✓		
Long-term production stoppage, more than 12 months	✓		
Use of new, modified or replacement tools (not applicable to metal cutting tools)	✓	✓	✓
Change in 2nd-tier suppliers (DICV 2nd-tier). In the case of parts with special characteristics (DS, DZ), the above obligation exists up to the supplier responsible for the characteristic.	✓	✓	✓
Modifications in the supplier's purchased parts	✓		
Subsequent sampling	✓		
Re-Qualification	On request		

Note: Execution of PPAP shall be initiated with due information to respective supplier managers of DICV.

5. Execution of the PPAP Process

If a PPAP process trigger caused by the supplier arises, the supplier shall provide notification of this trigger at least six months prior to planned implementation. In justified, exceptional cases, deviation to these DIST may be agreed with the DICV Quality/Supplier Management department responsible for series production approval.

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

For parts in whose tools the surface structure is integrated in a separate production step, the PPAP process is carried out on the basis of "other samples" with a development status as per AIAG. Release for integrating the surface structure will be issued by the DICV Quality/Supplier Management department responsible for series production approval.

If a dimensional test in uncoated condition has been agreed with DICV for coated parts, the supplier shall additionally submit uncoated parts in accordance with the specifications.

In the case of cast and forged parts, the supplier shall produce cross-sections and deliver these together with the samples, in order to verify whether the wall thicknesses, radii, etc. are in compliance with the requirements.

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

The relevant product and process characteristics for which capability studies are to be carried out shall be coordinated with DICV. Until the process capability parameters have been verified, the characteristics shall be checked 100% by the supplier, then according to the inspection plan.

In the event of a deviation from these DIST, the following requirements apply to the DS/DZ characteristics specified in the specification documents (e.g. drawings, CAD data records):

- Short-term machine capability $Cm_k \geq 2.0$
- Short-term process capability $Cp_k \geq 1.67$

"Supplier production tests/try outs" shall be carried out in the case of new launches and model refinements, and the DICV Quality/Supplier Management department responsible for series production approval must be notified within reasonable time so that effective participation of DICV is possible. Approval will be carried out if full adherence to all part criteria (Annex) is verified and the process criteria (Annex) are met according to the following table.

Apart from new launches and model refinements, no "supplier production test/try out" shall be carried out without prior coordination with the DICV Quality/Supplier Management department responsible for series production approval. Approval shall only take place if all part criteria (Annex) and process criteria (Annex) are met in full.

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

For selected scopes, a number of parts which at least corresponds to the yield of one shift and at most the yield of 3 days of production (DICV capacity line under consideration of the special equipment content) must be produced in coordination with DICV in the final "supplier production test/try out". If the supplier buys in complex or critical deliveries from sub-suppliers, the supplier must select a similar procedure, involving DICV wherever necessary. The scopes of work must be coordinated with the DICV Quality/Supplier Management.

6. Submission Levels

Unless otherwise agreed between the DICV department responsible for series production approval and the supplier, documents and samples corresponding to submission level 3 shall be made available to DICV. In some special cases DICV may ask for level 4 or level 5 too.

PPAP Submission Levels:

S.L. No.	Requirements	Submission Level				
		1	2	3	4	5
1.	Design Records of Saleable Product	R	S	S	*	R
	for proprietary components / details	R	R	R	*	R
	for all other components / details	R	S	S	*	R
2.	Engineering Change Documents, if any	R	S	S	*	R
3.	Customer Engineering Approval, if required	R	R	S	*	R
4.	Design FMEA	R	R	S	*	R
5.	Process Flow Diagrams	R	R	S	*	R
6.	Process FMEA	R	R	S	*	R
7.	Dimensional Results	R	S	S	*	R
8.	Material, Performance, Test Results	R	S	S	*	R
9.	Initial Process Study	R	R	S	*	R
10.	Measurement System Analysis Studies	R	R	S	*	R
11.	Qualified Laboratory Documentation	R	S	S	*	R
12.	Control Plan	R	R	S	*	R
13.	Part Submission Warrant (PSW)	S	S	S	S	R
14.	Appearance Approval Report (AAR), if applicable	S	S	S	*	R
15.	Bulk Material Requirements Checklist (for bulk material PPAP only)	R	R	R	*	R
16.	Sample Product	R	S	S	*	R
17.	Master Sample	R	R	R	*	R
18.	Checking Aids	R	R	R	*	R
19.	Records of Compliance with Customer Specific requirements	R	R	S	*	R

S – The supplier shall submit to the designated customer product approval activity and retain a copy of records or documentation items at appropriate locations, including manufacturing

R – The supplier shall retain at appropriate locations, including manufacturing, and make readily available to the customer representative upon request

* – The supplier shall retain at appropriate locations, and submit to customer upon request

- Level 3 as default level
- For bulk materials, level 1 as default level

Note: In case of any updates in the global standard the pertinent issue of PPAP standard shall be applicable.

7. Retention Period

Following the discontinuation of series production, the PPAP process documents must be archived for 15 years from the time of such discontinuation by the supplier and submitted to DICV on request.

8. Approval Status

The supplier is notified of the overall approval status in the form of a test report. For specific plants, the results of the material test may be transferred with a separate test report.

9. Reporting

The method and format of sampling document transfer must be coordinated with the relevant DICV department. If the submission takes place in paper form, the supplier shall provide 2 copies of the documents. 1 copy will be retained by DICV and 1 signed copy will be returned to the supplier.

10. Preparatory Activities

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

11. Non-adherence

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

Annexes:

To be referred as prescribed in AIAG manual (pertinent edition)

Quality Assurance: Implementation of a Quality Management System

1. Selection and Application of the QM System

To ensure flawless and consistent product quality, the supplier shall establish a quality management system (henceforth referred to as "QMS"). The QMS is selected and applied in accordance with the prevailing version of ISO/TS 16949. The application of any other QMS requires prior written approval of DICV.

The supplier shall oblige its sub-suppliers to adhere to the same QMS requirements and obligations arising from these DIST.

2. Auditing/Verification

DICV, at its discretion, may audit and evaluate the supplier's QMS and quality assurance measures or to have these audited and evaluated by a third party nominated by DICV. This may be carried out for example, as part of an audit (supplier technical audit) during the supplier's hours of business upon giving prior notice to supplier. As part of its deliveries, the supplier must also enable its sub-suppliers to be audited by DICV or a third party nominated by DICV. The supplier declares itself committed to support DICV in identifying weaknesses and limitations in the sub-supplier structure (e.g. as part of a structural and risk analysis "SRA"). Optimization of the said weaknesses and limitations, as ascertained, shall be the responsibility of the supplier. In its sole discretion, DICV has the right to participate in the optimization carried out by the supplier and, in individual cases, specify quality assurance measures.

3. Scientific and Technical State-of-the-art

The supplier shall ensure that its deliveries and services are in accordance with requirements of applicable law and correspond to the scientific and technical state-of-the-art.

4. Zero Defect Strategy

The supplier shall verify the freedom of product realization from defects. The supplier shall document its quality assurance measures with proof of quality assurance (e.g. test protocols of module, integration and system tests, review protocols of specification, design and code reviews).

The supplier shall inform DICV immediately in writing in the event violations of this zero defects obligation are foreseeable.

The supplier is responsible for determining and properly defining the special characteristics (e.g. safety-, certification-, functionally- and process-relevant) in accordance with the specifications & symbols, requirement specifications or other DICV specifications and for suitable optimization of production systems, processes and test methods. If, a product defect may lead to risk to life or health during use of the product, the supplier undertakes to do everything within its power to eliminate the possibility of defective deliveries.

Machine and process capability are examined and evaluated on the basis of DIST 13/16 i.e. PPAP (5), ensuring quality prior to use in series production. The supplier must ensure production process stability by means of suitable process regulation.

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

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

DICV identification requirements:

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

For the purpose of traceability, the supplier, at the request of DICV, shall identify the components including child parts with a unique serial number, the structure of which will be defined or approved by DICV.

Unless otherwise specified by DICV, the supplier shall follow the traceability requirements to provide information for material, batch code, process details etc. to trace back in the event of failure.

Note: Any specific requirements given by DICV shall be treated over and above the general requirements.

The supplier is obliged to ensure that all deliveries meet DICV's specifications (including dimensions, material, reliability, legal specifications, environmental and production steering plan). The supplier shall evaluate document and archive the results. The results must be made available to DICV on request. Any deviation from this must be agreed in writing between the supplier and DICV.

5. Checking by DICV

Considering the checks carried out at the supplier's premises in accordance with these DIST, the checking carried out at DICV is restricted to the comparison of delivery note data with the goods' labels, checking the number of load units and checking external transportation damage which is clearly visible on the packaging.

Insofar as is feasible, DICV will check the bought out parts at incoming, prior to assembly or after assembling to the vehicle but the liability of quality of products and consequences caused due to bad or deficient quality remains the responsibility of the supplier only.

There shall not be any further far-reaching quality examination obligations on the part of DICV.

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

DICV has the right to peruse all development documents (software inclusive of source code for the purpose of analysis, e.g. ascertainment of metrics) and documentation which accompanies production.

Warranty Claims against Suppliers

1. Subject Matter of the Agreement**1.1. Scope**

The stipulations contained in these DIST apply to the processing of DICV warranty claims against suppliers which supply production material and spare parts.

1.2. Objective

The objective of this section is to simplify the processing of DICV's warranty claims against suppliers and, in the case of liability for defects of quality, to cut costs for both parties by reducing the number of defective parts being returned (hereinafter referred to as "damaged parts"). This will result in:

- reduced parts handling
- lesser time and expenses spent disposing off parts
- logistics of returning old parts being significantly quicker and thus speedier remedial work
- qualified information related to damages to improve the quality of the inspection report

1.3. Purchasing Terms

This does not affect the applicability of DICV's "General Terms and Conditions" agreed between DICV and the supplier.

2. Procedures Involving the Exchange of Parts**2.1. Ascertaining Defects**

Defects shall be ascertained by the DICV sales organization and then fed into the DICV systems for handling quality defects. The damaged parts shall be identified as initially defective by DICV.

2.2. Return of Parts

When a quality defect is discovered, in order to reduce the cost and time involved in the process of returning and analyzing all damaged parts, new defect inspection shall be carried out and the supplier's contribution to the costs shall be determined, by means of a random sample. The size of the random sample shall generally be 10-15% of the damaged parts, but not to exceed 50 parts per year of occurrence or per parts family.

If the parts are not used for the inspection and are not returned to the supplier for technical analysis or overhaul, they shall be scrapped by DICV.

2.3. Inspection and Determination of the Acceptance Rate (AQ)

Based on an inspection of the damaged parts contained in the random sample, DICV and the supplier shall generally agree the acceptance rate on a quarterly basis. This will be calculated from the number of defects accepted from the random sample in relation to the number of defects contained in the random sample within the defect period.

$AQ = \frac{\text{Number of defects recognized by the supplier from the random sample}}{\text{Damage claims contained in the random sample within the defect period}}$
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The supplier and DICV shall each bear their own costs associated with the inspection, including the costs of returning and making available the parts.

In the event of inspection by the supplier, DICV and the supplier agree that the supplier shall provide feedback on the status with initial test results to DICV within 10 working days of the supplier's receiving the goods. In the case of acceptance, the supplier shall submit an 8D report per defect profile. If after a maximum of 20 working days from receipt of the parts by the supplier, no concluding inspection result is available, the parts pertaining to this test report shall be regarded as accepted. These periods may be extended by mutual agreement, where such extension is justified.

If, following an initial analysis, no faults or causes of failure have been determined, DICV and the supplier agree to an extended analysis, which both parties will actively support, e.g. more extensive analysis methods, introduction of regular communication, special measures in the development phase up to and including on-site support in the event of arising problems.

In the case of product changes, process changes or production relocations which have not been announced or approved by DICV, the acceptance rate shall be 100%, unless the supplier proves that there is no causal connection with the occurrence of the defect. In the case of assemblies or multi-part deliveries, this includes the parts procured by the supplier from sub-suppliers.

2.4. Determination of Costs

The warranty costs comprise the costs of all such parts repaired or replaced including those of consequential failures as well as all such costs of labour, consumables and freight involved in repair/replacement.

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

$\text{Recovery volume} = \text{AQ} \times \text{warranty costs of the supplier worldwide}$

The supplier will receive an invoice - generally once a quarter - stating the accumulated cost of the damage claims logged worldwide in the DICV systems and the incidents of damage attributable to the supplier over the warranty period.

3. Rework/Rectification Program

In addition to the rights available to DICV to make claims (whether provided under this supply contract or under applicable laws), the supplier shall, as and when called upon by DICV, initiate proactive steps in identifying defects and resolve the defect at the earliest possible time to avoid any reputation risk or financial risk to DICV.

Frequent meetings will take place between the supplier and DICV in order to monitor, analyze failures so as to make technical improvements and to take corrective actions.

In the event that there occurs any widespread failure or safety critical failure of any of the products which is due to faults arising out of non-conformance to the design, material or workmanship, then, the supplier will at its cost place at the disposal of DICV all such necessary repair or modification to the parts and all such other assistance as DICV may reasonably request in connection with any rectification campaign undertaken by them or on their behalf and supplier will pay to DICV all their reasonable costs (parts + labour + freight costs/handling) incurred in consequence of such widespread failure.

As used in this clause "widespread failure" means the same type of failure occurring in the product supplied by the supplier that affects the performance of the vehicle, safety of the customer, brand image of DICV or causes customer dissatisfaction.

Failure Mode and Effects Analysis (FMEA)

1. Procedure

The supplier must draw up and maintain a system FMEA for the product and a process for the system and components which are to be developed/supplied within good time, preferably using suitable software. Current edition of FMEA (prescribed by AIAG) shall be followed for the same.

The analysis contents and limits of the FMEA must be coordinated with the responsible DICV department in advance. The DICV departments will also specify the evaluation of significance of the fault sequences ("significance B").

The documentation scope listed under clause 2 below must be submitted to DICV for perusal. The conclusions drawn from the FMEA must be documented.

DICV may define more far-reaching requirements in the requirement specifications.

2. Scope of Documentation of the System FMEA for the Product and Process

- Full system overview (e.g. system structure, block diagram, installation/attachement/assembly drawings, process flow chart)
- Functional overview (e.g. function network, function tree, effects diagram)
- Full fault network (faults with all causes and effects)
- Evaluation tables (severity, occurrence and detection)
- Severity, occurrence and detection rankings shall be strictly in line with FMEA standard
- The FMEA manager (e.g. project manager) must be defined and documented
- FMEA participants
- FMEA form (in line FMEA standard (AIAG)) completed in full with:
 - FMEA number, origin date & revision status
 - Comprehensible evaluations (S, O, D)
 - Preventive measures, discovery measures for high risk priority numbers (RPN)
 - A processing status must be given for each measure. In the event that a measure is aborted, the reason must be documented accordingly
 - A responsible person and a deadline must be specified for each measure
 - All safety/regulations related part/processes shall be prioritized

3. Approach

The suppliers shall follow the FMEA guidelines religiously with an approach to identify, reduce and eventually eliminate risks from the supply chain. DICV shall be entitled to ask for supporting data for assigning severity, occurrence and detection rankings.

FMEA shall be treated as a living document and hence the suppliers shall develop and maintain a standard procedure for revision of FMEA. Any change to FMEA shall be reported to concerned DICV Quality/Supplier Management department. DICV may from time to time audit the supplier's site to review the status of preventive measures decided in FMEA.

Delivery Schedules

DICV's parts requirements are calculated using an automated process and are transmitted, per item, using the "Delivery Schedules" form via electronic data interchange (EDI)/Vendor Portal Training Manual. The form fields defined in the following correspond to EDI/Vendor Portal Training Manual.

The contents of the following fields of the delivery schedules must always be stated in the delivery notes and invoices:

- Supplier code
- DICV release order reference
- Additional customer data (if transmitted)
(as applicable)
- Unloading location
- Part no. as indicated by DICV
- Part description
- Quantity
- Unit of measurement
- Packaging detail (type and quantity)

The required quantities are to be allocated to precise calendar days over a short-term period in line with the Material Requirement Planning guidelines which will be amended from time to time. The date of delivery at DICV plant shall be the deadline for strict adherence by the supplier. The difference between the cumulative required quantity and cumulative supply quantity shall be specified in each delivery schedules. This makes it possible to see immediately what changes have occurred in comparison to the previous delivery schedules. Required quantities must only be delivered on the basis of the latest delivery schedules .

In the event of full or partial annulment of order quantities, DICV undertakes the purchase commitment as per the latest delivery schedule release, for the ordered product or the feed stock required for this³ for the periods of time defined in the "production approval" or "material approval" fields. The purchase commitment in no event can exceed the cumulative required quantity in the periods indicated in "production approval" and "materials approval". Delivery is to be coordinated with the respective order scheduler.

The period of production approval and material approval starts when the delivery schedules is issued and the same shall keep rolling to cover the predefined timeframe until a new delivery schedule is issued. Delivery schedule quantity will be the despatched quantity from the supplier, which will depend upon the delivery frequency as specified by DICV. Firm quantity will be the quantity for which supplier can order the raw material for supplier production and forecast of the material release is for the supplier planning and information (details as per Annex 1).

It is necessary to communicate with DICV the feasibility of meeting the quantity as scheduled in the delivery schedules

It is required that the parts shipped from supplier end are PPAP approved as per DICV Supplier Management process. In case if the supplier ships the non-PPAP approved material then the material will be returned at supplier cost and any additional costs that arise out of this will be charged to the supplier.

³ The quantity designated under Production Approval represents a firm order. Delivery must however be based on the latest delivery schedules. The quantities inserted under material approval entitle material requirement planning, not production. Quantities required beyond these periods are target figures that are for information only. If consignments in addition to the latest deliveries to be indicated are on their way to us, these quantities are to count towards the next delivery instalment to fall due. Changes (replenishment orders or initial orders of new parts and rescheduling or cancellations) that are disclosed to you as a result of changes in release order and delivery plans should be entered under the current delivery schedule, until a new release order is received.

General Packaging Regulation and Handling of Cargo Carriers

1. General Regulations

With regard to the selection of the packaging required for parts delivery and with regard to the handling of packaging, the supplier shall adhere to DICV specifications and seek approval for “packaging” with DICV. If in addition, specific packaging requirements necessitate deviations from DICV specifications, a jointly coordinated solution must be agreed between the supplier and DICV:

- For production material, with DICV Logistics department
- For spare parts, with DICV After Sales department
- For indirect materials, with DICV Procurement department

The following guidelines shall be made available and serve as the specifications for packaging:

- Catalogue for standard packaging
- Design principles for special packaging
- Palletization

The supplier is the owner of the packaging and shall bear corresponding responsibility to maintain sufficient stock and ensure proper maintenance.

2. Handling of Packaging

Subject to approval of DICV, the supplier may additionally use standard or special packaging for its deliveries to DICV.

2.1. Packaging Definition

Suppliers shall make a proposal regarding packaging and palletization. It is mandatory to use returnable packaging for DICV series production part supplies. The proposed packaging and palletization must be approved by DICV. Documentation thereof shall be prepared using a packaging data sheet. If the supplier fails to adhere to the approved packaging specifications, DICV reserves the right to charge to the supplier for the additional costs which are incurred such as repackaging costs, administrative expenses, cost of returning damaged goods, getting replacement material, etc.

2.2. Requirement Planning and Requirement Determination

Determination of returnable quantity requirement is carried out jointly by the supplier and the DICV Logistics department based on the planned production figures, filling capacities and any other factors affecting the returnable quantity either at supplier or DICV's end.

DICV Logistics department must be informed of changes in the delivery or logistics chain, immediately through a new packaging data sheet for DICV approval.

2.3. Procurement of Standard and Special Packaging according to DICV Design

Returnables packaging are procured by suppliers from a fabricator identified by DICV and it will remain as the property of the supplier. If copies of packaging based on DICV designs are procured elsewhere and brought into circulation by supplier, those packages are considered as not approved and will be taken out of circulation and returned at supplier's cost. DICV reserves the right to charge the supplier the additional costs which are incurred such as repackaging costs, administrative expenses, cost of returning damaged goods, getting replacement material, etc.

2.4. Design of Special Packaging

The supplier designs and procures special packaging on its own responsibility in coordination with DICV. The supplier is obliged to identify these special packaging with a unique returnable number, which must be requested from the DICV Logistics department.

The documentation, the drawing data and the approval data including test results for special packaging must be made available to DICV and becomes the property of DICV at the time of approval. DICV shall be granted right of usage of this data. DICV may also make this data available to other suppliers.

2.5. Empty Packaging

The returnables delivered by suppliers shall be made available as empty goods for return transport upon consumption of the materials.

2.6. Inventory/Stock Taking

DICV shall conduct a yearly inventory of packaging belonging to the suppliers inside its premises as part of annual account closing procedures. Suppliers will then be notified of their returnable stock.

Shipment of Goods

1. General

The following regulations concern the shipment of goods, including the requirements pertaining to the creation of delivery notes and goods' labels.

1.1. Declaration of the Origin of Goods

If the supply of material is from an overseas location then the supplier must follow the relevant regulation as required by the Indian law.

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

In the case of deliveries "FCA (...specified location)" or other terms of delivery in accordance with Incoterms 2010/Groups E and F, the supplier shall only transfer the goods to the transportation company nominated by DICV duly adhering to the timelines defined by DICV. The supplier is not permitted to nominate a transportation company. If the supplier fails to adhere to the timelines defined by DICV, the supplier shall at its own cost and risk deliver the goods to DICV.

1.3. Deliveries in Accordance with Incoterms 2010/Group D

If the supplier nominates the transportation company, the supplier shall duly inform the details of the transportation company (including the vehicle configuration to be used) so as to be coordinated with the DICV Logistics departments.

1.4. Deadline Goods

Deadline goods are to be unequivocally declared as such to the transportation company and the receiving department of DICV. The supplier shall clearly specify the date and time of arrival at DICV on the forwarding order (transport documents), which is handed over to the transportation company. Deviations from existing delivery time slot agreements must be agreed in advance with the DICV Logistics department.

1.5. Shipping/Transport Sequence Disturbances

In case of any disturbances in meeting DICV's delivery schedule including disturbances caused by sub-suppliers, the same must be immediately reported by the supplier to both the transportation company and the DICV Logistics department, orally duly confirmed by email or via fax, precisely specifying the reason for and the type of disturbance. Disturbances must be promptly remedied.

1.6. Excess/Prior Deliveries

The supplier is entitled to carry out partial deliveries, deliveries prior to the issue of a delivery schedule and additional deliveries only with the prior written approval of DICV. If in violation of this provision, the supplier shall handover the goods to the transportation company, carrier or any other similar agency as nominated by DICV and the supplier shall bear the risk and costs until the goods are accepted at the receiving plant of DICV. Logistical expenses for the storage or return of unauthorized excess/advance deliveries shall be borne by the supplier.

1.7. Weight Determination

The supplier is responsible for properly determining the gross weight and tare weight of the shipment. If weights are improperly stated, DICV will pass on the added freight charges, plus processing fee, to the suppliers.

1.8. Information Obligation

Purchasing and the Logistics departments of DICV, must be informed in writing six weeks prior to change in the shipping location. Due to the relocation of production to any of the supplier's production plants or the establishment of a delivery warehouse which deviates from the previous location.

1.9. Shipment of Hazardous Goods

Consignments supplied by the supplier for transportation must comply with the relevant provisions governing the carriage of hazardous goods as per the Indian Law. The obligations and responsibilities borne by the supplier as the sender, packer/filler and loader arise from Indian laws. The supplier shall be responsible for, and indemnify DICV of all losses incurred as a result of non-compliance with the legal provisions.

1.10. Driving Bans

In the case of delivery conditions in accordance with Incoterms 2010/Group D, the supplier shall make sure that delivery of the goods is ensured even in the event that driving bans are imposed.

1.11. Return Goods

DICV shall effect transportation of returned goods (returned due to the fault of the supplier) unless otherwise previously agreed in writing. In any event the supplier bears all the expenses connected to the return of goods.

2. Types of Shipping

2.1. Package Shipments

In the case of "FCA (... specified location)" shipments and other delivery conditions in accordance with Incoterms 2010/ Groups E and F, if the package shipment is less than 32 kg, it must be handed over to the service provider authorized by DICV as per the agreed window timings.

2.2. Truck Shipment

Within the framework of the performance of its services for DICV, the supplier shall ensure that only properly employed driving personnel are engaged. All vehicles entering DICV premises shall have a valid emission control certificate and other necessary statutory legal documents and that the vehicle shall at all times be driven in compliance with Indian laws. DICV reserves the right to monitor and document supplier's compliance with these obligations within the provisions of the applicable laws. The supplier shall indemnify DICV against the claims of third parties arising from non-compliance with this obligation, so far as the supplier is responsible for such non-compliance.

2.3. Rail Shipment

Rail shipment is only permissible if this has been expressly requested by DICV and the processing modalities, including special packaging to withstand transportation, that have been agreed in writing in advance in individual cases.

3. Shipment Processing

3.1. Notification

The supplier has to make an advance shipment notification (ASN) in supplier portal/EDI for each and every invoice immediately after handing over the consignment to the transport serviceprovider. This is a mandatory requirement. If this requirement is not fulfilled by the supplier, the consignment can not be inwarded by DICV and the supplier is responsible for all consequences arising out of breach of this obligation. The procedure and the process of ASN creation in the supplier portal/EDI will be communicated to the supplier by DICV. The supplier has to provide sufficient resources towards fulfillment of this objective.

3.2. Preparation

On the shipping date, shipments that are ready for shipping must be provided for collection at the agreed window timing and they must be provided in line with the DICV operating hours for acceptance of such shipments. In order to ensure the above, the supplier and the transportation company shall agree on the modalities of delivery. If the shipments are not provided on time, the costs of any special measures must be borne by the supplier.

3.3. Forwarding Order / Way bill

Shipments may only be surrendered to the transportation company with a fully completed forwarding order or with a way bill. Details of the type and number of packaging must be specified as per unloading location.

3.4. Customs Documents

All documents and information relevant to customs as applicable must be supplied to the transportation company.

3.5. Goods Labels

All packaging (individual packaging/small packaging/special packaging and the basic packaging) must be provided with a goods label with barcode in accordance with the DICV packaging specification.

For any new part/ZGS change part submission there should be a special new part label (as per DICV format) for the first three lots. Such parts will require special attention during receiving, storage and linefeeding at DICV.

Communication with DICV via Electronic Data Interchange

1. General Section**1.1. Communication via Electronic Data Interchange**

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

Accordingly, EDI messages in accordance with the message standards which have been developed are transmitted in order to communicate with DICV. Data communication may alternatively be conducted via EDI-Web form on the supplier portal. In the case of direct deliveries from abroad, the following regulations must be coordinated in individual cases between the DICV Logistics department and the supplier (for e.g. regarding the message standard to be used).

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

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

In the event of incorrect or incomplete EDI, the supplier may be charged for any resulting costs.

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

1. General

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

2. Subject Matter

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

3. General

The EDI link must basically be used to exchange CAD and E/E data.

3.1. Standard Regulation (Minimum CAx/EDI Standard)

The minimum CAx/EDI standard (so called "standard regulation") is defined in the CAD handbook, module CS045. This standard regulation is binding on the parties as long as no other specifications are demanded within the framework of component requirement specifications or in data exchange agreements. In each case, the basis of such other regulations is the CAD handbook, which contains all relevant methods and standards.

3.2. Affected Scopes - Development

All the following are affected:

- New, process relevant CAD data or E/E data which are to be created and modifications to these.
- Parts integrated from defined predecessor projects plus standard parts and parts similar to standard parts, but with reduced data structure and data quality requirements. The affected predecessor projects are defined in the CAD handbook.

3.3. Affected Scopes - Aftersales

All data for spare parts which have been defined in mutual coordination by the Aftersales and Development departments and the supplier are affected.

3.4. Procedure in Case of Non-Compliance

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

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

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

If DICV incurs damages due to the fact that the supplier fails to meet its specified contractual obligations, or fails to do so within good time, the supplier is liable to DICV for resulting damages insofar as it is responsible for these.

3.5. Reference Sources

The standard regulation refers to the necessary installation environment ("CATIA supplier packages for V4 and V5", STEP Assembly Manager SAM). The "CATIA supplier package" is available as a free download via the engineering portal.

Sustainability and Environmental Protection

The following stipulations regarding sustainability define the standards and criteria that DICV suppliers must meet:

- Adherence to internationally recognized human and employee rights;
- Prohibition of child labour and forced labour;
- Observing and promoting ethical business conduct and adherence to legal standards and environmental rules, as well as preventive environmental protection.

The sustainability rules are based on the DICV guideline on sustainability and on our “Corporate Social Responsibility Principles” applying throughout the company. Moreover, they are based on the internationally accepted principles of the United Nations Global Compact and the International Labour Standards of ILO.

Working Conditions / Labour Standards

1. Wages and Benefits, Working Hours

Compensation and benefits are to be warranted pursuant to the fundamental principles as well as laws applicable to the supplier relating to minimum wages, overtime hours and other statutory benefits. Supplier shall comply with all applicable laws, industry standards or relevant ILO conventions in relation to employee working hours. Overtime should be voluntary and employees have to be granted at least one day off following six (6) consecutive working days.

2. Child Labour Avoidance

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

3. Freely Chosen Employment

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

4. Freedom of Association

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

5. Health and Safety

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

Business Ethics Standards

1. Anti-Corruption and Compliance

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

2. Non-Discrimination

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

3. Safety and Quality

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

General Environmental Standards and Environmental Sustainability

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

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

With regard to environmental protection, the supplier will act in accordance with precautionary principles, will take the initiative to ensure the promotion of greater environmental responsibility and will sponsor the development and dissemination of environmentally friendly technologies. In all stages of manufacturing, the supplier will ensure a high degree of environmental protection. This includes proactively preventing or minimizing the impact of accidents which may adversely affect the environment. Particular emphasis is required to be given to the application and continuing development of technologies serving to save water and energy that are characterized by strategies ensuring minimal emissions as well as reuse and recycling strategies.

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

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

The supplier is obliged to ensure the following: according to ISO 14001:2004

- Creation and transfer of a component-related concept for drainage and pollutant removal.
- Categorized waste disposal system.
- Fulfilment of marking standards for materials and components.
- Highest possible level of plastic component recycling and use of renewable raw materials subject to coordination with DICV.

3. Confirmation of/Adherence to Substance Bans

Substances which are subject to legal restrictions or bans may only be contained in the materials or parts which are supplied subject to these regulations (e.g. chemicals ban directive). The supplier must therefore ensure the following:

- Compliance with the negative substance list for the selection of materials according to Indian laws, regulations and other standards prescribed by DICV.
- Recommendations for a further reduction of interior emissions.

4. Life Cycle Assessment for Continuous Improvement of Products and Production

DICV carries out environmental auditing on the basis of ISO 14040ff. in order to determine and improve its overall environmental profile.

On request, the supplier shall provide DICV with information on the relevant products, materials and processes. DICV assures suppliers that this information will be kept strictly confidential and will only be used for the purpose of life cycle assessment.

The supplier shall also make every effort to obtain such information from its sub-suppliers (raw material and semi-finished product manufacturers, energy suppliers, residue recyclers etc.). Confidentiality will be treated as indicated above.

To guarantee a standardized, methodically validated flow of information, DICV offers an introduction to the technique of life cycle assessment in order to carry out joint analysis.

The data must be provided in the specified documentation format (VDA data collection format). The period of time and data quality shall be as coordinated between DICV and the supplier.

5. Supplier must have following certification from government authorities.

- a. Air consent
- b. Water consent
- c. Hazardous waste
- d. Environmental statement

6. Contact

Product Engineering department, DICV