



# Logistics Guideline for Suppliers

of

# FYSAM Auto Decorative GmbH

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## Introduction

Being a supplier for the automotive industry - in particular for the logistics sector - requires continual maintenance of maximum flexibility and delivery reliability, as well as constant monitoring and improvement of the relevant processes.

Requirements laid down by the clients to be met by the supplier have continued to increase over recent decades and will certainly remain at a high level in the future.

The objective of FYSAM Auto Decorative GmbH is to fully meet the various requirements of domestic and international clients at all times.

Consequently, it means that FYSAM has to provide maximum adaptability, innovative capacity and commitment on an ongoing basis and rise each day to the challenge of meeting the individual needs of our clients.

This ambitious objective can only be achieved in close collaboration with our suppliers. Therefore, the constant quest for improvement and savings potential within the supply chain has to be the common goal of both, FYSAM and its suppliers.

We would like to encourage you to join us on a “new path“ to tackle all major challenges on the market together with the aim to remain a reliable partner within the automotive industry worldwide. The logistics specifications of FYSAM form the basis for this undertaking.

Nevertheless, we are always open to any ideas, improvement suggestions, but also constructive criticism. Please do not hesitate to contact us at any time.

These logistics guidelines apply to all deliveries to all production sites of FYSAM Auto Decorative GmbH, including all contractors commissioned by FYSAM. An overview of the production sites and corresponding delivery addresses are enclosed as attachment.

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# **1 General requirements**

## **1.1 Organization**

The general and project specific organizational structure of the supplier's logistics' department as well as all relevant contact partners in charge of the product development and serial production process must be laid out to FYSAM. In addition, the escalation paths within the organizational structure must be explained to FYSAM.

Permanent contact partners for logistics and reliable competent deputies who are familiar with the project must be appointed for both, the product development and serial production process. They must be able to make quick, competent and reliable decisions. Furthermore, the contact partners must be available every working day from at least 7:00 am until 5:00 pm.

In case of emergencies, a competent contact partner and one deputy must be appointed who can be reached at any time by phone outside of regular working hours (also refer to section 4.9.).

## **1.2 Notification of change**

### **1.2.1 Relocations**

Any modification regarding the production site and / or dispatching center must be reported in advance to the Purchasing division of FYSAM with the help of a detailed schedule at least 12 weeks prior to the intended date of relocation.

Before commencement of the serial supply from the new dispatching center, parts have to be submitted for an initial sample report (ISR). Serial supply is only permitted after FYSAM has approved the initial sample.

### **1.2.2 IT system modifications**

In case the supplier has a RDT (remote data transmission) data connection to FYSAM, or a FYSAM imminent change of IT platform for logistics / material control is pending, the responsible contact partner for logistics matters within FYSAM must be informed in due time about the nature of the change, the date of implementation and the potential impacts on the supply process.

### **1.2.3 Organizational changes**

In the event that any modifications arise within the supplier's business or organizational structure that are relevant to the logistics of FYSAM (e.g. personnel changes in the upper management or among the contact partners), this shall also be reported without delay.

## **1.3 Collaboration**

During the phases of product development process and the serial production, the supplier shall provide relevant resources concerning all logistical activities between himself/herself and FYSAM.

Furthermore, the supplier shall assure the preparedness to give high priority to process optimization measures.

## **1.4 Communication**

The supplier shall inform FYSAM about any potential hazards regarding the client-supplier relationship without delay. This shall include, in particular, any predictable delivery problems due to quality issues, problems concerning tools or supply, strikes, short-time work or insolvency.

All inquiries and questions on the part of FYSAM must be responded to immediately, detailed and competently. In particular, inquiries concerning changes in quantity and / or deadline that the supplier receives by phone or in writing must be answered in writing within one working day at the latest.

The communication between FYSAM and the supplier shall always be carried out in German or English.

## **1.5 Logistics agreements**

Further logistics agreements or similar binding regulations can be stipulated in consultation between the supplier and FYSAM.

## **2 Information process / data processing**

### **2.1 General**

Data between the FYSAM and the supplier shall be transferred by EDI or by fax. Only in exceptional cases and upon prior agreement may the data be transferred by email. The supplier shall ensure that all data relevant to logistics are reviewed, recorded and processed without delay.

Maintenance at regular intervals shall be performed, if necessary, to avoid errors. Furthermore, an emergency concept must be developed and directly implemented whenever necessary.

### **2.2 System consistency / process reliability**

The supplier shall ensure that all data received are processed immediately and, if possible, without any further manual editing, and are directly transferred to the production planning and control system.

The data sent must not be changed or deleted by the supplier.

Suppliers who do not have their own EDI interface, or with who no EDI data connection has been established yet, shall ensure that the data received are being transferred directly to the production planning and control system without any further intermediate step. Special care and diligence must be applied, if the data is entered manually. In any case, after entering the data, it must be checked for accuracy by a second person.

If the parts to be delivered are complete assemblies consisting of multiple individual parts, it shall be mandatory that the demand is broken down into parts lists. That means that by breaking it down into parts lists the supplier ensures that the subcontractors are able to plan ahead for the required quantities of the individual parts within the assembly - if necessary by taking into account an appropriate lead time and reject rate.

Furthermore, the supplier shall ensure to forward the demand data to his/her subcontractors - if applicable - in due time.

The revision status shall be continuously documented during all process steps while traceability must be guaranteed.

If parts or assemblies for processing are provided by FYSAM, stocks must be constantly tracked by using an appropriate system. In this respect, particular attention should be paid to ensure that different process statuses such as rework and / or reject quantities are managed separately, and the respective quantities can be communicated immediately upon request. Reject quantities must be delivered to FYSAM at regular intervals with a separate delivery note and express reference that these are reject quantities. Reject quantities must not be scrapped by the supplier.

### **2.3 Electronic data interchanges**

Data interchange via EDI interface is always preferred over fax or email processing. Suppliers who dispose of electronic data interchange possibilities, shall point it out FYSAM without delay.

Within the framework of process improvement all other suppliers are urged to possibly look around for an EDI connection and implement it as soon as possible.

Contact partner for the EDI process at FYSAM is Mr. Achim Schurr,  
Tel.: +49 7332/9660-237 or email: [achim.schurr@fysam-auto.com](mailto:achim.schurr@fysam-auto.com)

## **3 Subcontractor management**

In case the supplier for FYSAM has his/her own subcontractors, he/she shall ensure to dispose of instruments and methods that allow to keep the supply performance transparent along the supply chain, as well as to be able to assess it at any time and, if required, to interfere and optimize it.

FYSAM shall be in charge of the development of the sub-supplier chain. If needed, the supplier shall always be able to generate a status of the deviations and implemented corrective actions of the subcontractors to FYSAM.

## **4 Production and supply process**

### **4.1 Production planning and control**

#### **4.1.1 General**

As a principle, data processing requirements listed in section 2.2 shall apply. The supplier shall ensure that only the most recent data is used for product planning and control. Where applicable, the data received must be checked for plausibility. Possible ambiguities shall be settled with the responsible contact partner of FYSAM. An overview of all contact partners of FYSAM Auto Decorative shall be available upon request.

#### **4.1.2 Contract volumes / planned quantities**

With the inquiry the supplier shall receive a planned quantity based on 240 working days annually, in accordance with the nomination agreement of the client of FYSAM with a flexibility of +/- 15% which is defined in the contract for one year at a time. This planned quantity shall be considered the basis for the quotation and capacity planning only and shall under no circumstances authorize production and delivery of the products.

#### **4.1.3 Delivery schedule and partial deliveries**

In compliance with the relevant customer call-off order by FYSAM, the supplier shall regularly receive a non-binding preliminary supply indication (LAB) for the following 3-6 months. FYSAM's obligation to accept the consignment shall not exceed 4 weeks for production release and an additional 4 weeks for material approval. The supplier shall ensure that fluctuations within the agreed capacities of +/-15% can be offset at short notice.

Orders or call-off orders shall be carried out by FYSAM in writing or by RDT/EDI. These shall be binding, if the supplier does not object within 2 work days.

Delivery deadlines shall always be defined in an individual agreement and specific to the product.

Partial deliveries shall be permitted only upon prior written agreement with the relevant dispatcher at the respective FYSAM production plant. As soon as the supplier realizes that adherence to the binding delivery deadline is jeopardized, he/she shall have to notify FYSAM about the current state without delay. This notification must include the following information: a) cause of the delay; b) expected duration of the delay; c) binding subsequent delivery deadline, as well as possible partial deliveries and d) corrective measures by the supplier.

#### **4.1.4 Acceptance obligations**

For the quantities defined in the call-off order with delivery date respectively within 4 weeks, and a respective 4 weeks for primary / raw materials, an acceptance obligation on the part of FYSAM shall apply within 12 months, provided that the supplier has finished products and / or primary / raw materials at his/her disposal for that time period.

The above mentioned clauses shall not be applicable for purchase orders / call-off orders in context with the launch or discontinuation of products. In such cases, special procedures shall be agreed on separately with the supplier.

Delivery of such quantities from the above-mentioned acceptance obligation without prior consultation with the responsible logistics contact partner of FYSAM shall not be permitted.

#### **4.1.5 Delivery reliability/over-, under- and advance deliveries**

The supplier shall undertake to always carry out delivery for all purchase orders and call-off orders on time and in the correct quantity. Any consequential costs occurred to FYSAM due to late deliveries of goods shall be charged to the supplier.

Deliveries outside our regular business hours shall in general only be permitted in exceptional cases and must be announced by the supplier in due time. Working hours of the various plants might differ. In case of doubt, the supplier shall enquire with the logistics contact partner about the specific working hours.

Partial deliveries, over deliveries and deliveries before or after the call off date shall only be permitted upon prior agreement with the responsible logistics contact partner of FYSAM.

As a basic principle, any deviations of the call-off order, in particular, deliveries of lower quantities or a delay in time, must be reported to FYSAM without delay.

Accruing logistics costs for freight, handling and storage of unauthorized over- or advance deliveries are to be borne by the supplier.

A supplier evaluation, during which the above-mentioned issues are taken into account, shall be carried out.

#### **4.1.6 Processing of orders with provided material**

Provided materials shall always remain the property of FYSAM and are to be stored separately and properly, marked accordingly and managed free of charge. Such materials shall only be used for orders placed by FYSAM. In case of a decrease in value or losses due to improper handling or storage, the supplier shall be liable for compensation. This shall also apply to the provision of materials for an order in exchange for a fee.

The provided material shall be processed in timely manner and according to the call-off orders. They shall be processed following the FIFO principle. Therefore, rework of provided parts shall generally be given priority.

Upon request, the supplier shall have to take inventory of the materials and empties provided by FYSAM twice a year.

#### **4.2 First – In – First – Out (FIFO) / inventory control**

The supplier shall ensure the continuous implementation of the FIFO principle on the entire material flow, from goods received over production to shipping.

The supplier shall therefore dispose of appropriate options for permanent inventory. The warehouses and storage areas shall be marked clearly according to the type of storage (e.g chaotic, automatic or manual warehouse).

#### **4.3 Planning of capacity**

The necessary capacities for the planned quantities defined in the annual contract must always be permanently maintained. Weekly capacity shall be:

Annual planned quantity / 48 weeks + 15 % flexibility.

The supplier shall therefore dispose of an appropriate option to plan the resources and develop respective emergency scenarios that shall be implemented, if necessary.

Demand fluctuations from up to +/- 15 % per week shall be offset by the supplier.

For times with operational capacity shortage (e.g. company holidays, machine maintenance, country specific holidays, etc.), the respective required quantities must be manufactured in advance in due time and delivered to FYSAM upon coordination with the responsible logistics contact partner.

If the call-off quantities exceed the agreed capacities, the supplier shall undertake to notify the respective logistics contact at FYSAM within 2 work days. In this case, information about potential capacity expansions and reaction times must be submitted together with details about potential additional costs within 2 work days.

#### **4.4 Planning for serial production launch and discontinuation of serial production**

For serial production launch (SOP) and discontinuation of serial production (EOP), separate coordination and capacity planning might be necessary in collaboration with the responsible logistics contact partner of FYSAM.

All quantities and deadlines defined in the call-off order must be met at all times. Any additional costs incurring for potentially necessary special measures must be reported in advance and in detail to the Purchasing division of FYSAM. Additional special costs that show up afterwards may not be taken into account.

Please make sure that no tools and / or provided raw materials are ever relocated or scrapped without the prior consent from FYSAM.

#### **4.5 Modification management**

The supplier shall undertake to issue complete documentation on all modifications integrated during the product development, serial launch and serial delivery phases and to ensure traceability of the individual development statuses.

Respective modification statuses / indexes must be documented on the respective transport label for each delivery in order to avoid risks of confusion and mix ups.

In case of amendments of part numbers, quantities for production launch and discontinuation of production must be observed according to the call-off orders.

Mixed deliveries with various modification statuses shall not be permitted on one load carrier / in one packaging unit.

#### **4.6 Packaging / empties management**

As a principle, the supplier shall undertake to consult with FYSAM about suitable packaging for the shipment of goods to be delivered and present it to the relevant logistics partner of FYSAM for approval. All applicable environmental laws and regulations regarding disposable and reusable packaging shall be complied with in full. If possible, reusable packaging shall be preferred over disposable packaging, and an appropriate package item account shall be set up.

Packaging shall be designed so that an optimal utilization of the capacity is given. In addition, packaging shall be designed to guarantee damage-free transport of the goods to the destination. In addition, alternative packaging shall be selected in consultation with the relevant logistics partner. The supplier shall be liable for any quality defects of parts caused by unsuitable packaging.

The supplier shall receive respective packaging data sheets for special load carriers provided by FYSAM. Packaging must be designed exactly as specified on the packaging data sheet. Partial loads and / or any packaging modifications shall only be permitted upon prior consultation with the relevant logistics contact partner at FYSAM.

The special load carriers may only be used for the relevant parts allocated to them. The supplier shall set up an appropriate container account. The use of the provided containers for other purposes (e.g. in-house use by the supplier) shall not be permitted. FYSAM shall carry out an annual visual inventory of the load carriers. Information about the exact date, time and scope shall be provided by the container management FYSAM. However, an additional load carrier-specific special inventory can be carried out as required. The supplier shall undertake to cooperate at the inventory. Potential deviations detected during the inventory shall be reported to the supplier accordingly. FYSAM shall grant the supplier a period of 4 weeks to clarify the matter. Upon expiry of this deadline, compensation for the loss or damage to the load carriers shall be charged. The amount of the compensation corresponds to the replacement price for the respective load carrier(s).

In addition, the load carriers may not be used by the supplier for the storage of rework or rejected goods. Each load carrier must promptly be put back in circulation again.

The supplier shall be obliged to use the load carriers with special care and inspect them for damage and/or dirt as well as moisture and, if needed, to clean them or to report damage, as well as to selectively sort out defective load carriers for repair. For this purpose, the load carrier must be empty, marked with a repair note and be sent back to FYSAM with the next possible shipment.

In case there is a lack of packaging material, the supplier shall undertake to provide alternative packaging material selected in coordination with logistics planning of FYSAM for a supply quantity of one week. This shall only be used after prior consultation and with express authorization by the relevant logistics contact partner of FYSAM. Possible resulting cost increases must be announced to FYSAM in advance.

The supplier shall be authorized to charge FYSAM with the additional costs resulting from the use of alternative packaging material with prior consent only.



For derogation from the above-mentioned provisions - in particular non-compliance with the defined container filling volumes without prior consent - FYSAM shall reserve the right to charge additional costs incurred to the supplier.

## **4.7 Shipping process / labeling of goods**

### **4.7.1 Labeling of goods and shipping documentation**

Labeling of the containers / load carriers must be carried out with labels containing bar codes according to Automotive Industry Association (VDA) 4994. The label must be filled out completely and affixed to the container in a way that it is clearly visible and always in the same position, even if multiple stacking is used and delivery is carried out with multiple packaging units at once.

For small load carriers or auxiliary packaging material and mixed shipments, each packaging unit must be marked with a separate label. Mixed shipments must always be marked accordingly, using a respective master label with the inscription "Mixed Shipment".

The labels must be attached to the packaging units by using materials that can be removed without leaving any residue.

Delivery documentation always consists of the delivery note (for EDI: RTD accompanying document according to Automotive Industry Association (VDA), consignment note / shipping order and, if needed, all relevant customs documents. All accompanying documents shall be handed over to the forwarding agency, who have to submit it at the incoming goods department.

Additional costs arising from incorrect deliveries, i.e. deliveries with wrong labels, missing accompanying documents, deviations in quantity, etc. shall be charged to the supplier.

### **4.7.2 Provision and loading**

The quantities defined in the call-off orders must be made available to the forwarding agent on time and in the right quantity, regardless of statutory public or church holidays or possible country-specific restrictions.

Either a forwarding agent at the supplier's option (Incoterm DAP / DAT), or the forwarding agent appointed by FYSAM (Incoterm FCA) must be assigned with the shipment in due time (usually 24 hours before pick up time). In specific situations, Incoterm DAT may also be used.

With regular round trip routes established between FYSAM and the supplier, it is imminent to always have the goods available within the agreed time window. In case of non-compliance with the required time frames, possible consequential costs incurred shall be charged source-based as additional costs.

The announced delivery quantities shall be packed for shipment in accordance with the relevant packaging specifications. The forwarding agent must make sure that the goods are loaded onto suitable transport vehicles and are properly stowed and fastened as to provide for their safe transport in accordance with the applicable statutory regulations.

In the event of transportation difficulty or failure the supplier shall make sure to find a short term suitable alternative transport solution.

## **4.8 Safety stocks**

Regardless of the defined quantities in the call-off orders, the supplier shall ensure that a quantity of at least the average weekly batch size is available for short term demand as a safety stock.

In an emergency (e.g. loss of larger quantities through quality defects, machine / system failure at the supplier, increase of demand at short notice by the client of FYSAM), the safety stock must be ready for delivery within 24 hours.

## **4.9 On call availability in emergencies**

The supplier shall ensure that at least one contact partner or his/her competent and reliable deputy who is familiar with the delivery processes for FYSAM is constantly available during regular business hours and can be reached by phone, email or fax.

Outside regular business hours, a competent contact partner with appropriate decision-making authority regarding special measures must be available by phone at least from 7:00 am until 10:00 pm - including

weekends and during holidays. The emergency telephone number must be provided to Logistic and Purchasing department of FYSAM.

#### **4.10 Special deliveries**

All transports with the intention of reaching the destination quicker in order to avoid supply gaps shall be considered special deliveries.

Express deliveries or urgent deliveries must always be coordinated with the relevant logistics contact partner at FYSAM. Usually, the supplier initiates special deliveries with a service provider he/she is familiar with.

The costs incurred for special deliveries shall always be charged to the party responsible for the extra costs. The supplier shall always be liable for costs incurred due to special deliveries.

In any case, material supply by the supplier shall always have priority. Cost allocation shall always be regarded as secondary.

### **5 Customs and merchandise management**

#### **5.1 Origin of goods and preferences**

Upon delivery of new goods, the supplier shall undertake without further request by FYSAM to issue a long-term supplier's declaration for goods of preferential origin pursuant to Regulation USZK-IA and Regulation (EU) 2015/2447. Reference to the goods must be made by indicating the item number of FYSAM on the supplier's declaration.

The supplier shall be accountable for correctness and completeness of the long-term supplier's declaration. The supplier shall assume liability for a supplier's declaration completed incorrectly and any claims from our clients resulting thereof.

#### **5.2 Dutiable goods (goods with duty unpaid)**

Dutiable goods shall be accepted by FYSAM only, if the corresponding customs document (T1, CARNET TIR), invoice and end-to-end document accompanying the goods (CMR, BL, AWB) are enclosed.

### **6 Applicability**

The specifications of logistics for the supplier of FYSAM shall be an integral part of the framework agreement between FYSAM and the supplier.

The customs legislation of the importing country shall apply. The Incoterms® 2010 shall be binding.

### **7 Versions / revisions**

<b>Version</b>	<b>Revision</b>	<b>Date</b>	<b>Created by</b>
1	First edition	12/2016	Jennewein
2	New edition for SAM automotive group	01/2018	Jennewein
3	Revised revision for FYSAM	03/2019	Ensekate
4	Revised revision for FYSAM	20.07.21	Lojko

**Attachment: Overview of production sites and delivery addresses FYSAM Auto Decorative GmbH**

**FYSAM – Plant 1**

Ulmer Weg 36-40  
D-89558 Böhmenkirch

**FYSAM Auto Decorative de México S. de R.L. de C.V.**

Calle Emiliano Zapata No.110-A  
Ocotlán Coronango, Puebla C.P. 72680  
Mexico

**FYSAM – Plant 2/10**

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D-89558 Böhmenkirch

**FYSAM Auto Decorative Slovakia, s.r.o.**

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SK 99001 Veľký Krtíš

**FYSAM - Plant 3**

Hangstraße 11  
D-89555 Söhnstetten

**FYSAM - Plant 5**

Eschenstraße 3  
D-89558 Böhmenkirch

**FYSAM - Plant 7**

Buchenstraße 38  
D-89558 Böhmenkirch

**FYSAM - Plant 8**

Kirchstraße 99  
D-89558 Böhmenkirch

**FYSAM – Plant 9**

Laichinger Straße 2  
D-89150 Laichingen-Feldstetten

**FYSAM – Plant 13**

Siemensstraße 25  
D-89555 Steinheim