



Federal-Mogul
EMEA Distribution Services BVBA
Belgium

Supplier Specification Guide

DWH-014-EN V 1.7
Last revision: 29-Aug-2011



CONTENTS

1	INTRODUCTION	3
1.1	Who is Federal-Mogul?	3
1.2	Who is Federal-Mogul EMEA Distribution Services BVBA Belgium?	3
1.3	Receiving Concept At F-M Belgium	5
1.3.1	Administrative receipt	5
1.3.2	Physical receipt	5
2	PRODUCT REQUIREMENTS	6
2.1	Individual product / retail pack	6
2.1.1	Package quantity	6
2.1.2	Box type / Individual Packaging	6
2.1.3	Weight, Volume and Packaging hierarchy	6
2.1.4	Label / Barcode	7
2.2	Unit pack/Tray/Trade pack (i.e. collation of same part in 1 box)	8
2.2.1	Usage	8
2.2.2	Box type UP-MEZZ 1 or look-a-like	8
2.2.3	Box type UP-MEZZ 2 or look-a-like	8
2.2.4	Pre-defined marking on UP	10
2.2.5	Label / Barcode	10
2.2.6	Stacking pattern in shipping carton / on pallet	11
3	SHIPPING / PACKING INSTRUCTIONS	13
3.1	Pallet types	13
3.1.1	The Euro format 1200mm x 800mm pallet	14
3.2	Pallet loading	15
3.3	Shipping carton / Wrapping	15
3.4	Pallet marks and -labels	19
3.4.1	The Odette transport label	19
3.5	Full (homogeneous) / Mixed pallets	20
4	INFORMATION / PAPERWORK	21
4.1	Administration before all shipments	21
4.1.1	By EDI	21
4.1.2	By Email	21
4.2	Additional administration for shipments non EC	21
4.3	Specific requirements for transport methods non EC	23
4.3.1	Truck shipments	23
4.3.2	Seafreight shipments	23
4.3.3	Airfreight shipments	23
4.3.4	Small Parcels	23
4.4	Paperwork with the shipment	24
4.4.1	Invoice	24
4.4.2	Packing list	25
4.4.3	CMR	25
4.5	Country of origin	27
4.6	Long term declaration	27
5	GOODS DELIVERY	29
5.1	Slotting	29
5.2	Stacking pattern in trailer	29
6	ENVIRONMENT, HEALTH & SAFETY	31
7	NON-CONFORM GOODS	33
7.1	Product related	33
7.2	Logistics related	33
8	ANNEX 1 – FEDERAL-MOGUL CONTACTS	34
9	ANNEX 2 – SUPPLIER SPECIFICATION CHECKLIST	35

1 INTRODUCTION

1.1 Who is Federal-Mogul?

Federal-Mogul is a global supplier of automotive components and sub-systems serving the world's original equipment manufacturers and the Aftermarket. We utilize our engineering and materials expertise, proprietary technology, manufacturing skill, distribution flexibility and marketing power to deliver products, brands and services of value to our customers. We are focused on the globalization of our teams, products and processes to bring greater opportunities for our customers and employees, and value to our constituents.

1.2 Who is Federal-Mogul EMEA Distribution Services BVBA Belgium?

Federal-Mogul EMEA Distribution Services BVBA Belgium consists of 2 facilities :
A Central Distribution Center at Prins Boudewijnlaan 7, 2550 Kontich and a Packaging Center at Kontichsesteenweg 65, 2630 Aartselaar.

They both represent 35.000 m² in surface. Besides the pallet racks, the CDC is equipped with a mezzanine floor, provided with a pallet and box conveyor system and sorters. This infrastructure holds a capacity more than 45.000 pallet and 60.000 shelf locations.
The assortment that Federal-Mogul offers to the market consists of over 60.000 SKU's which are divided in several brands.

As part of the logistic challenge we encounter on a daily basis, we need to bring our supplying partners on board as they are a very important link in the supply chain. Suppliers are a significant part of the inbound flow and contribute to the success of the company. Therefore, our long-term vision is to establish a successful co-operative relationship.

To help you in better understand our needs and requirements, we developed this Supplier Specification Guide. This SSG is most important for us and therefore we strongly stress the fact that these rules need to be complied with. Any deviation will disturb the daily operations / increase cost and by consequence must be avoided.
Questions, remarks, improvements or any other change will be carefully analyzed and dealt with.

Your contact is : Federal-Mogul EMEA Distribution Services BVBA - Warehouse Management
(See Annex 1).

We thank you in advance.

The products which Federal-Mogul will purchase from your plant are for automotive, other industrial or marketing supported applications. Any additional products or applications, sourced from your plant, will become part of this agreement and subject to all of the terms of this SSG.

The initial set-up between your plant and Federal-Mogul will be done by our Global Purchasing – EMEA Product Department.

Payment terms, business plans, product releases, lead-times, order fill rates, pull systems, product line coverage, cataloging assistance, pricing or any other relevant purchasing or inventory issues will be negotiated between you and the Federal-Mogul Global Aftermarket EMEA BVBA Product and Inventory Department.

The logistic requirements however will be determined by Federal-Mogul Kontich and are described in the Supplier Specification Guide.



1.3 Receiving Concept At F-M Belgium

Current logistic concepts require shorter lead times, higher flexibility and reliable delivery times which in turn creates a need for fast, flexible and instant flows of both information and materials. Consequently, this has its effect on the inbound goods flow.

Federal-Mogul Belgium distinguishes 2 flows during the inbound activities :
the administrative and the physical receipt.

1.3.1 Administrative receipt

The administrative receipt procedure is separated from the physical flow and is performed by the Kontich Warehouse Administration Team.
This step should be completed before arrival of the goods.

1.3.2 Physical receipt

The physical receipt is performed by the Warehouse Personnel and is divided into 2 steps :

- Receiving : performing a physical, quantitative and qualitative check and preparation for putting the product into stock.
- Put away into stock : put away into pallet or shelf locations.

2 PRODUCT REQUIREMENTS

2.1 Individual product / retail pack

2.1.1 Package quantity

The package quantity of a part needs to be determined by the Global Purchasing and EMEA Product department making a correct set up in the warehouse management system possible beforehand.

The package quantity must be fixed for the part's life cycle.

2.1.2 Box type / Individual Packaging

Box types must be defined between the Marketing Product Department and the Supplier. The rules for developing a new box are determined by a packaging manual.

The majority of the aftermarket brand packs must now conform to strict guidelines detailed in the packaging manuals. Alternative packs can only be agreed if no other option is available. In some instances the packaging used has to be sourced from preferred Federal-Mogul printers. Only after full approval of the packaging used by a new supplier can any packed product be delivered into Federal-Mogul.

Many Aftermarket packs are now tamper-evident. If the pack is particularly heavy, and not usually sealed, it should be secured so that parts cannot fall out (to prevent injuries).

Once the pack format for each product is agreed this should not change for the life of that reference. Obviously there will be exceptions to this, such as branding changes, but these must be kept to a minimum.

2.1.3 Weight, Volume and Packaging hierarchy.

Before the arrival of a new part, weight, volume and packaging hierarchy must be sent, to ensure that this can be uploaded in the Kontich WMS and Host system. The data can be emailed in Excel format (or other MS software) to the **Warehouse Management** (see Annex 1).

- Part number reference
- Package quantity¹
- Weight²
- Height³
- Width³
- Depth³
- Packaging hierarchy :
 - stipulate the eaches per : inner/outer layer – pallet
 - stipulate the inner/outer layers per pallet

1 - no. of pieces in packaging (and for which weight and dims. data are given)

2 - total gross weight of part(s), box and label in kilograms (KGS).

3 - measurements of the box in centimeters (CMS).

2.1.4 Label / Barcode

The product labels are determined by brand. Consequently, the Supplier must follow the brand manual.

More details can be obtained from the F-M EMEA Product Department.

Each individual box must have an appropriate label with the product information *or* the product information should be added directly to an appropriate panel on the box or bag.

The minimum information on this label (or panel) should be:

- Part number
- EAN13 or UPCA barcode

F-M EMEA Product Department and European Marketing Services Department define the barcode types and numbering. When supplying a new part, these Departments need to be contacted in order to obtain all necessary info and the unique number, linked to that reference.

Following barcode standards are used:

- EAN13 (European standard)
- UPC-A (US standard)

2.2 Unit pack/Tray/Trade pack (i.e. collation of same part in 1 box)

Unless agreed otherwise, individual boxes / parts need to be collected in unit packs before the products are stacked onto pallets or into shipping cartons.

2.2.1 Usage

On the mezzanine we work with 2 pre-defined types of unit packs : UP-MEZZ 1 and UP-MEZZ 2 (adapted to fit on the box conveyor).

- ⇒ Not applicable for the following products:
Friction, Service products, Pistons, Liners, large and heavy duty chassis parts.

The quantity put into a (full) unit pack has to be fix for a single part number and the stacking method is also consistent.

Only one reference per unit pack is allowed.

Note : for EHS reasons the weight put in a UP is limited to a maximum of 20 kgs.

2.2.2 Box type UP-MEZZ 1 or look-a-like

Inner dimensions (mm) : 385(L) x 255(B) x 265(H)

Outer dimensions (mm) : 390(L) x 260(B) x 270(H)max

390(L) x 260(B) x 180(H)min

2.2.3 Box type UP-MEZZ 2 or look-a-like

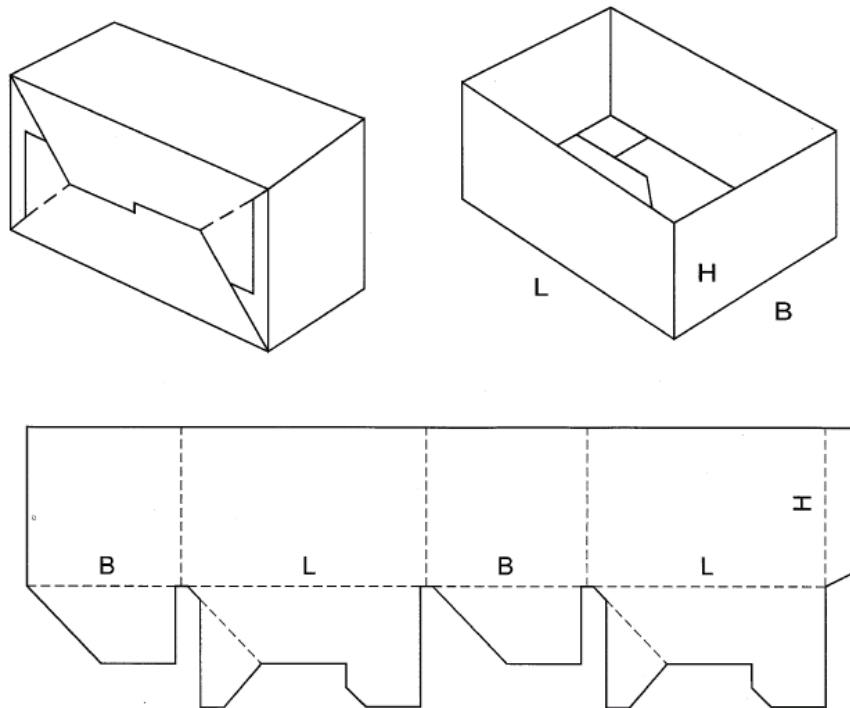
UP-MEZZ 2 is used, only when the dimensions of the part don't allow packing in a UP-MEZZ1.

Inner dimensions (mm) : 773(L) x 255(B) x 265(H)

Outer dimensions (mm) : 780(L) x 260(B) x 270(H)max

780(L) x 260(B) x 180(H)min

Fefco code and type : FEFCO 0700 (ready glued, crash-lock)

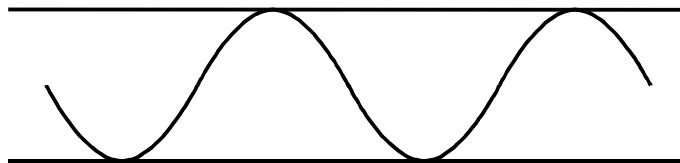


Carton quality : the carton needs to be of very good quality, without any damages or cracks.

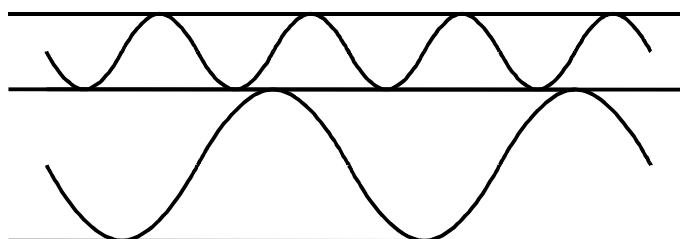
The unit pack should be designed to carry up to 30 kg. Therefore we recommend to use either strong single-wall (kraftpaper) or bi-wall carton types.

Note :

- single-wall is also called double-flute carton

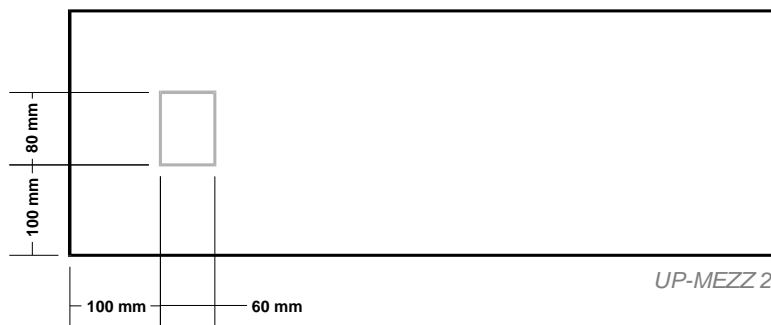
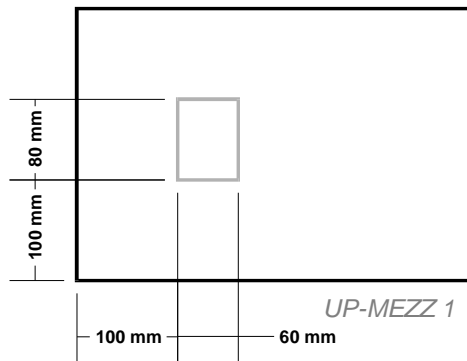


- bi-wall is also called double-wall or double-double flute carton



2.2.4 Pre-defined marking on UP

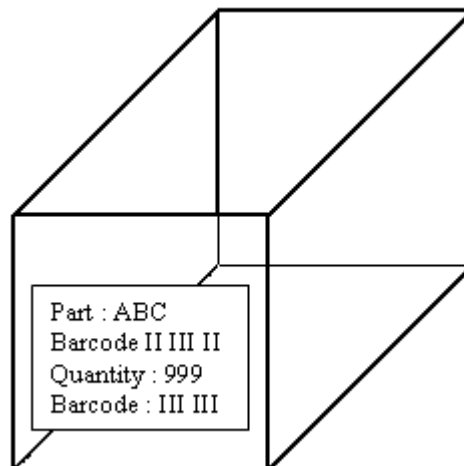
The unit pack needs to have the following marking on one side of the box. Sample boxes can be send to you on request (direct to Warehouse Manager - See Annex 1). This marking will be used internally to hold an id-tag that traces the goods in our automated warehouse.



2.2.5 Label / Barcode

The unit pack needs to be neutral (no markings, logo's, handwritten text, etc.). An easy removable label to indicate the content : material and quantity should be applied on the short side of the unit pack (as in the drawing).

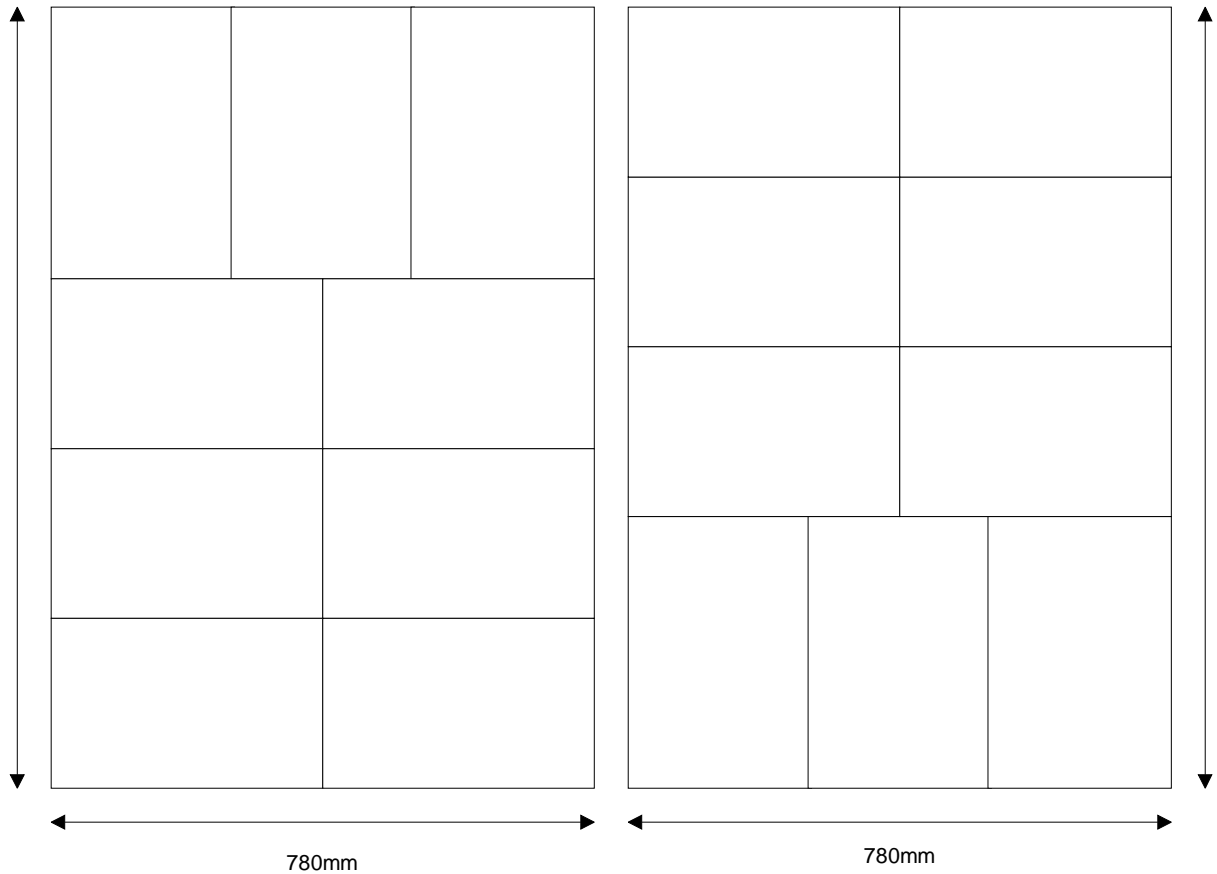
Note : it is not allowed to mention the Name of the supplier.



2.2.6 Stacking pattern in shipping carton / on pallet

UP-MEZZ 1

Capacity: 3 layers of 9 cartons : 27 UP's per shipping container/pallet.
Between each layer, a cardboard or layer pad must be used.



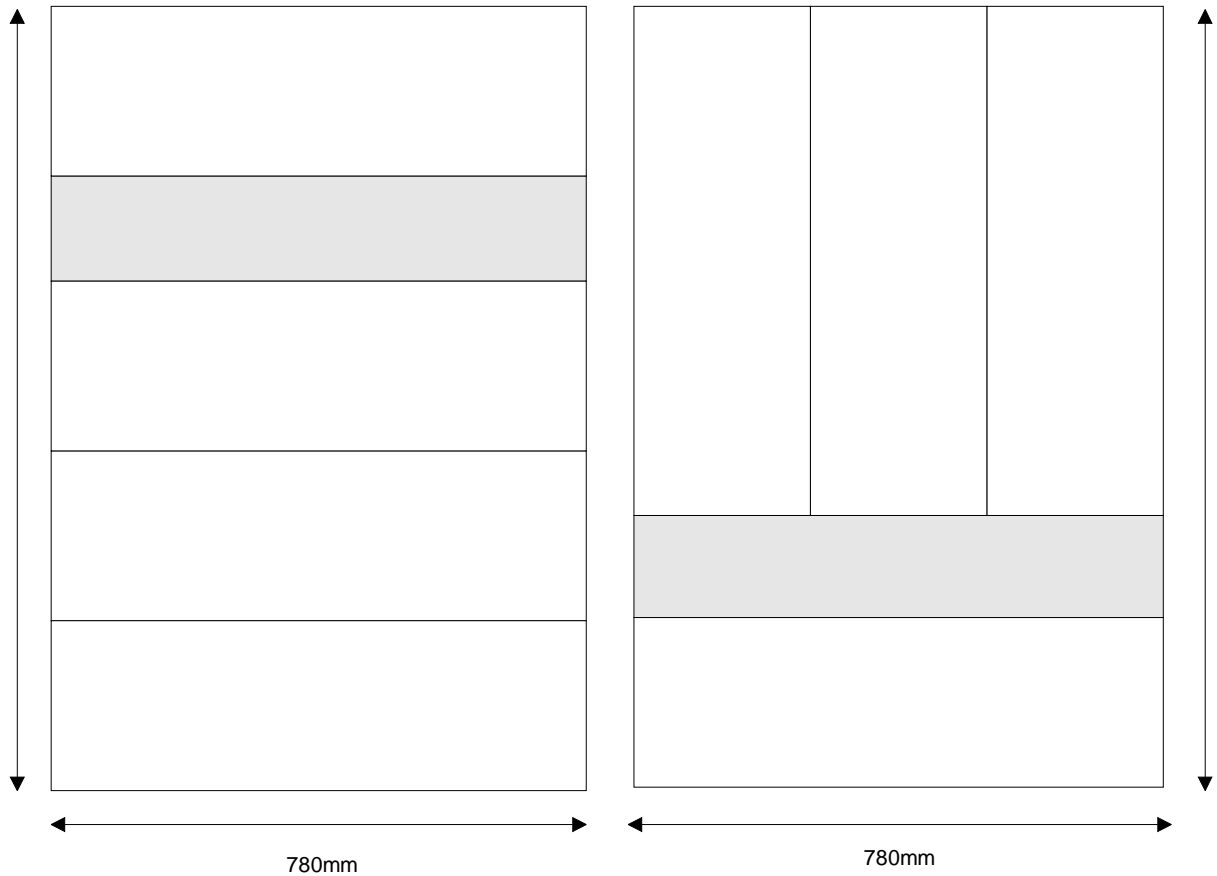
Inner dim 1009 = 1185mm x 785mm

Note :

This pallet pattern has to be used when using our shipping carton ref. 1009.
[see also Chapter 3.3 : Shipping carton / Wrapping]

UP-MEZZ 2

Capacity: 3 layers of 4 cartons : 12 UP's per shipping container/pallet.
Between each layer, a cardboard sheet or layer pad must be used.



Inner dim 1009 = 1185mm x 785mm

3 SHIPPING / PACKING INSTRUCTIONS

3.1 Pallet types

Goods must be stacked on **EURO format** pallets for all goods.

The specifications are

- Length x Width = 1200mm x 800mm
- 4-way , re-usable
- Wooden pallets (no plastic / no cardboard / no plywood)
- Good quality / condition

Real Euro pallets are accepted, but will not be exchanged.

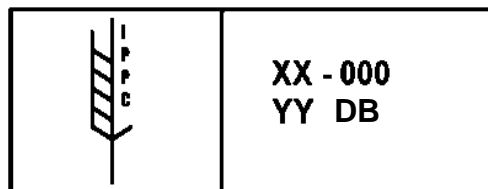
Note:

1. The use of wooden pallets is subject to the import requirements for wood packaging material of the European Community, which is aligned with the FAO International Standard for Phytosanitary Measures No.15 (ISPM 15)

Specifications

The wood packaging material has to :

- be made from debarked round wood, and
- be subject to one of the approved measures as specified in ISPM15 (such as heat treatment or fumigation), and
- display a mark with:
the two-letter ISO country code, a code identifying the producer and the code identifying the approved measure applied to the wood packaging material in the mark. The letters 'DB' shall be added to the abbreviation of the approved



measure .

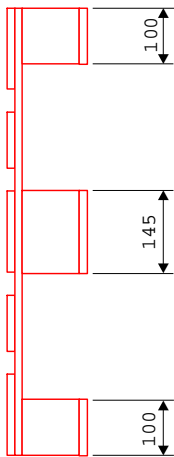
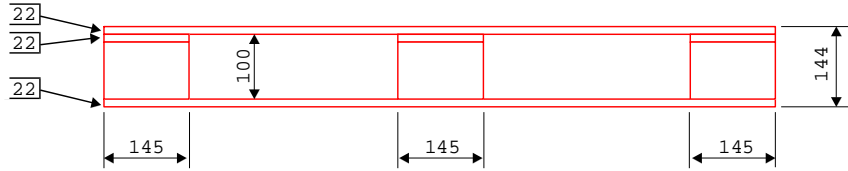
Explanation:

- **XX** ISO country code
- **000** unique number assigned by the NPPO to the producer of the wood packaging material, who is responsible for ensuring appropriate wood is used and properly marked
- **YY** IPPC abbreviation according to Annex I for the approved measure used (e.g. HT, MB)
- **DB** IPPC abbreviation for debarking

However,

For logistics reasons we encourage our suppliers to use only heat treated pallets according to the above mentioned requirements.

3.1.1 The Euro format 1200mm x 800mm pallet



3.2 Pallet loading

For all pallets following rules apply:

- Max. height = 1000 mm
- Max. weight = 700 kg

Exceptions : Spark and Glow Plugs / CV pads - Shoes = max weight 500 kg

3.3 Shipping carton / Wrapping

Unless previously communicated and confirmed by the F-M Kontich warehouse management, every Supplier is to use an unprinted plain corrugated carton. The carton quality must be at least bi-wall and should be developed for 2-high stacking without collapsing.

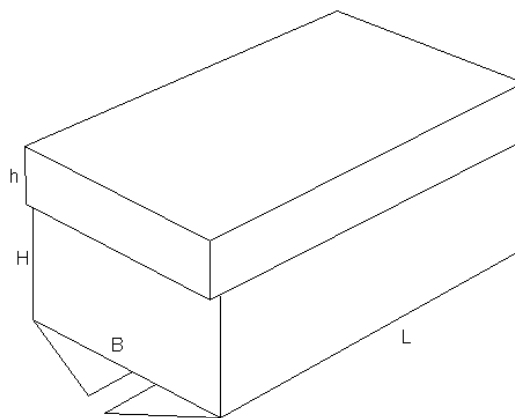
The cartons may not exceed the pallet dimensions, are closed by a carton cover and have to be strapped with plastic.

Shipments coming from overseas (by aeroplane or vessel) must be packed in seaworthy cartons. This means that the cargo must be guarded from moisture by means of desiccant sachets. We also recommend a tri-wall (or 'triple wall' i.e. three fluting layers) shipping carton and an anti-moisture coating.

Note: Parts that have the same material code need to be consolidated in the same shipping carton(s)

In specific cases, other types of packaging are allowed (after Warehouse Management approval).

The Fefco type is a 0201 slotted-type box with a stitched joint.



Carton types to be used :

- With Euro format pallets :

F-M Belgium code : "1009"

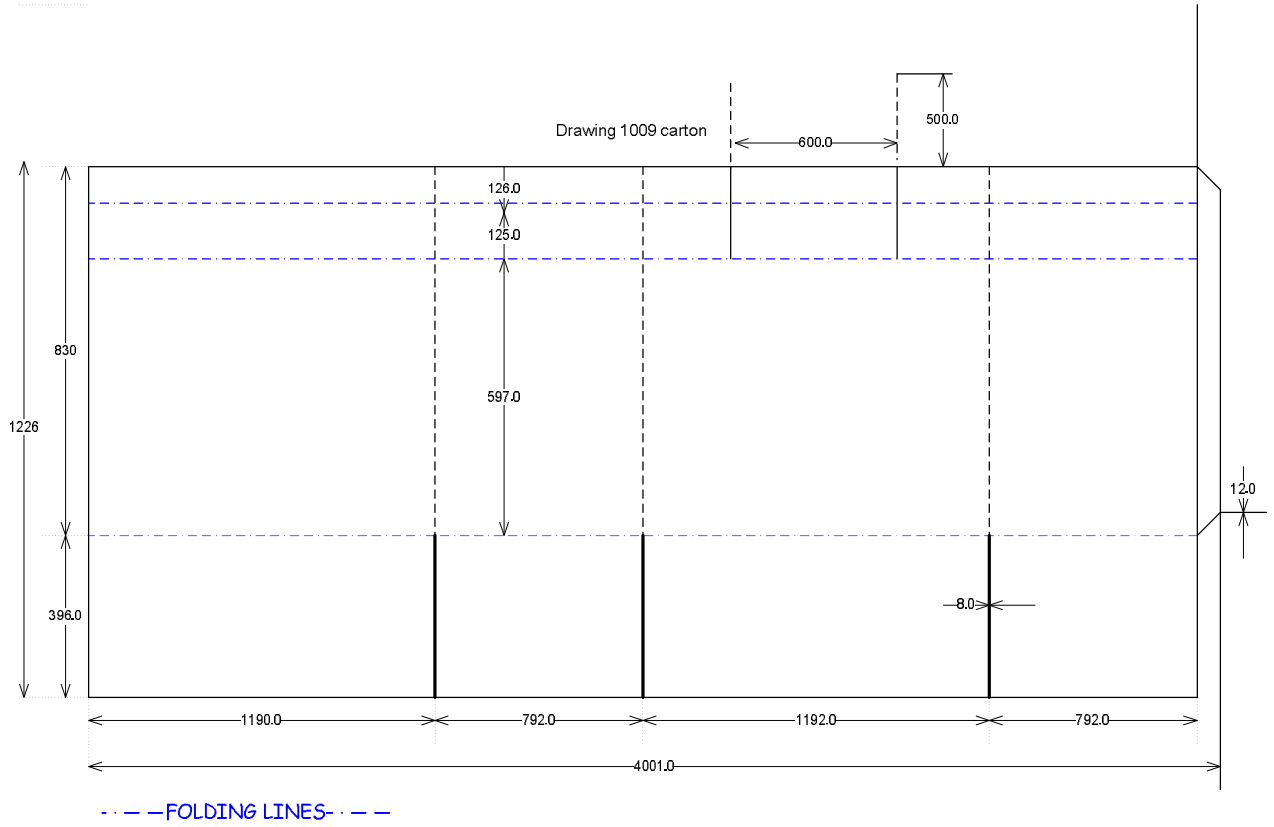
Inner dimensions (mm) : 1185 (l) x 785 (b) x 834 (h)
Outer dimensions (mm) : 1200 (l) x 800 (b) x 850 (h)
Fefco : 0201 stitched
Flute direction : vertical
Flute type : BC
Composition :
outer liner: Kraft 300gr/m²
fluting: Wellenstoff 150 gr/m²
middle liner: Wellenstoff 190 gr/m²
fluting: Wellenstoff 150 gr/m²
inner liner : Kraft 300 gr/m²

Coating : None
Thickness : 7 mm
E.C.T. 13.7 kN / m
BURST 2800 Kpa
Folding lines : as per drawing
Used for : Engine parts
Gaskets
Chassis

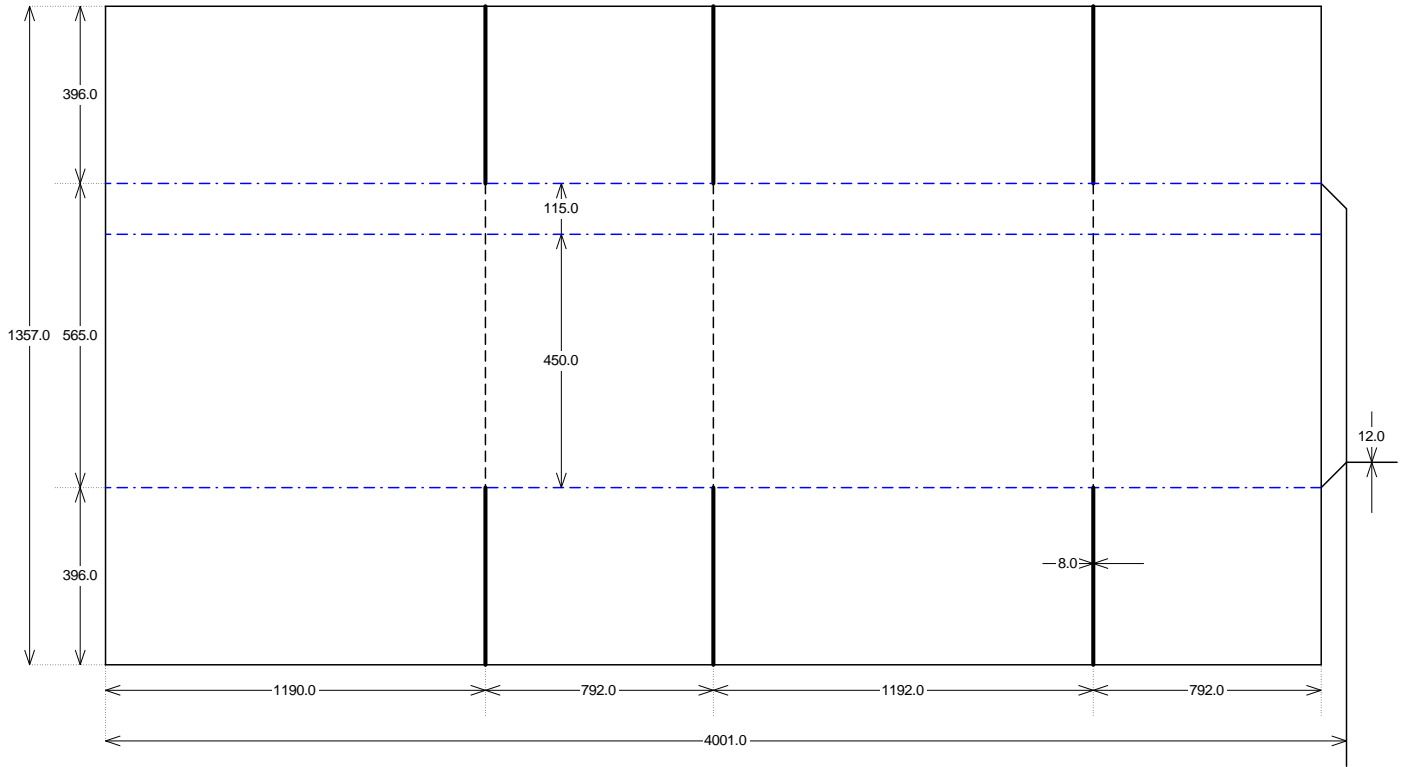
F-M Belgium code : "1005"

Inner dimensions (mm) : 1185 (l) x 785 (b) x 540 (h)
Outer dimensions (mm) : 1200 (l) x 800 (b) x 565 (h)
Fefco : 0201 stitched
Flute direction : vertical
Flute type : BC
Composition :
outer liner : Kraft 300 gr/m²
fluting: Wellenstoff 150 gr/m²
middle liner: Wellenstoff 190 gr/m²
fluting: Wellenstoff 150 gr/m²
inner liner: Kraft 300 gr/m²

Coating : None
Thickness : 7 mm
E.C.T. 13.7 kN / m
BURST 2800 Kpa
Folding lines : as per drawing
Used for : Friction



Drawing 1005 carton



3.4 Pallet marks and -labels

Each shipping carton must have on all sides at least following information

- an Odette type or transport label
- Pallet type indication in a fluorescent color (min. A5 size)
 - “FULL PALLET” for homogeneous pallets (i.e. 1 part number / pallet) or
 - “MIXED PALLET” for mixed pallets (i.e. > 1 part number / pallet)

3.4.1 The Odette transport label

The Odette Transport label is widely used throughout the Automotive Industry in Europe. It has been developed by the organization Odette International that is formed **by** the automotive industry and **for** the automotive industry.

Receiver: Federal-Mogul EMEA Distribution Services BVBA	Delivery address: Prins Boudewijnlaan 7 2550 KONTICH Belgium		
Advice Note Number (N)	Supplier Code		
	Net weight in KG	Gross weight in KG	Pallet number
Partnumber (P)			
Quantity (Q)	Product description		
	Supplier partnumber (30S)		
	Date	Modification date	
Serial Shipping Container Code (SSCC)	Country of origin (ISO 2 digit code)		

Following data must be given in printing and, where applicable, in barcode :

- | | |
|-------------------------------|---|
| • Receiver | Federal – Mogul
EMEA Distribution Services BVBA |
| • Delivery address | Prins Boudewijnlaan 7
B-2550 Kontich
Belgium |
| • Advice Note Number | ASN number - invoice number - delivery note |
| • Net weight in KG | |
| • Gross weights in KG | |
| • Pallet number | |
| • Part number | Federal-Mogul reference |
| • Quantity | Quantity or
“MIXED PALLET” if different references
are packed in 1 pallet |
| • Product description | Brand- indication |
| • Supplier part number | |
| • Supplier code | Supplier code known by our Host system |

To minimize the risk of distortion it is recommended that the label paper is weather-resistant and durable enough to ensure readability at its destination.

3.5 Full (homogeneous) / Mixed pallets

Homogeneous pallets are easy to manipulate because they are built according to previously agreed and documented patterns. When they are marked according to above described rules, we can go ahead with receiving and put into stock immediately.

Mixed pallets need more rules :

Definition of a mixed pallet :

Different references (small quantities) can be packed in 1 shipping carton / on 1 pallet according the following instructions :

- One brand per mixed pallet
- Clear separation between different references
- Large quantities at the bottom of the carton, smaller quantities on top. Take into account that no heavy parts are put on top of light(er) parts.
- References must be consolidated in 1 shipping carton / on 1 pallet : A particular part number must always be collected into 1 (or more if volume > 1) boxes. This means that same part numbers may not be spread over more shipping cartons / pallets.
- The use of unit packs
[see Chapter 2.2 : Unit packs / trays / trade packs]
- Stacking according to previously agreed and documented patterns.

4 INFORMATION / PAPERWORK

4.1 Administration before all shipments

Per shipment, we only accept 1 invoice (no multiple invoices for a shipment allowed).

For smooth operational flow and to shorten throughput times, your plant is to provide in advance all necessary logistic and financial information covering the full shipment. Following information is essential before arrival of your shipment at our premises :

4.1.1 By EDI

Invoice and delivery details

The invoice and delivery details, including country of origin per product, must be transferred directly in our host system. For the protocol and format, the Warehouse Manager (see Annex 1) can place you in contact with the Federal-Mogul IS department.

4.1.2 By Email

Invoice and packing list

This email, stating the vendor code and the invoice number(s) as subject, should be send to Warehouse Administration (see Annex 1) containing the invoice created in a pdf, text file or MS Office format and the packing list created in a pre-defined excel format file => ISO document DWH-021-EN Physical_ASN_Template. This is our pre-notification - ASN for the shipment.

4.2 Additional administration for shipments non EC

- For customs clearance of **Truck shipments** the driver has to carry with the goods a set of the following original documents:
 - Original (stamped) (& signed) commercial invoice(s)
 - Original (stamped) (& signed) packing list(s)
 - CMR
 - EUR1 (if applicable)
 - A.TR (if applicable)
 - any other legal document needed to import goods into Belgium / EC

- For **Airfreight** and **Seafreight**, we need to receive **in advance** a set of the following original documents:
 - Original (stamped) (& signed) commercial invoice(s)
 - Original (stamped) (& signed) packing list(s)
 - Bill of Lading (Sea freight), Air Way Bill (Air Freight)
 - Certificate of origin (if applicable)
 - EUR1 (if applicable)
 - FORM A (if applicable)
 - A.TR (if applicable)
 - any other legal document needed to import goods into Belgium

Must be send by courier to :

Federal-Mogul EMEA Distribution Services BVBA
Import Desk, Traffic Department
Prins Boudewijnlaan 7
B-2550 KONTICH
Belgium

The Notify Party on the Airway Bill and/or Bill of Lading should always mention :

Federal-Mogul EMEA Distribution Services BVBA
Import Desk
Prins Boudewijnlaan 7
B-2550 KONTICH
Belgium
Tel : 0032 3 450 83 14
Fax : 0032 3 450 83 39

The Consignee on the Airwaybill or the Bill of Lading should mention the real final destination.

Note about Certificates of Origin – C/O (not for US, Japan, China, Taiwan, Australia):

All suppliers based out of the European Community should make sure a Certificate of Origin is established (Form A, Eur1, invoice origin declaration, A.TR).

In case of missing documents proving the preferential status of products; all import duties payable will be debited to the Supplier after the Buyer's approval, with the exception of those situations where the problem is entirely outside the supplier's control.

If extra costs occur as a result of the non application of these procedures the Purchasing Team of our company will have to evaluate to what extent the Supplier is to be blamed for such extra costs and be debited accordingly.

4.3 Specific requirements for transport methods non EC

For Non EC shipments, the following extra requirements prevail, unless explicitly agreed otherwise with Federal-Mogul Kontich Freight Department and Federal-Mogul Product Department. If this agreement is not obtained prior to shipment of the goods, and goods are not freighted at suppliers' expenses, Federal-Mogul will debit the suppliers' account accordingly.

4.3.1 Truck shipments

Most incoming shipments (including intra-EC) from our suppliers are on **Ex Works factory** basis. The trucking company to be used for your country of production is chosen by the Federal-Mogul Freight Department. The approved Supplier(s) for Truck Freight can be obtained from our Federal Mogul Import Desk (see Annex1).

The dedicated customs broker to be used for customs clearance of the incoming shipments :
D.K.M.
Indiëstraat 2-4
2000 ANTWERP
Belgium

4.3.2 Seafreight shipments

Standard conditions of purchase are FOB Port of Loading or Ex Works Point of Loading. The approved Supplier(s) for Ocean Freight can be obtained from our Federal Mogul Import Desk (see Annex1).

Whenever possible, all Bills of Lading should be express releases. (This is a B/L, where no Original is required upon arrival, resulting in a shortening of lead-times.)

4.3.3 Airfreight shipments

Standard conditions of purchase are Ex Works point of loading.

The approved Supplier(s) for Air Freight can be obtained from our Federal Mogul Import Desk (see Annex1).

4.3.4 Small Parcels

Urgent small parcels (< 25 kg.) will be sent on DAP Kontich basis (i.e. at the charge of the Supplier).

If you have received an agreement for sending the goods on our expense, contact the Federal-Mogul Import Desk. They will take care of the shipment arrangements with our courier.

4.4 Paperwork with the shipment

With the shipment, we need a full set of printed invoices (or copies) and a full set of packing lists attached on a single carton, clearly marked “paperwork attached”.

4.4.1 Invoice

Mandatory information fields on **the invoice** :

- Supplier name + address
- Supplier code (7 digit)
- Bill To Location: Federal-Mogul Global Aftermarket EMEA BVBA.
Kontichsesteenweg 67/1
2630 AARTSELAAR
Belgium
- Ship To Location : Federal Mogul EMEA Distribution Services BVBA

Prins Boudewijnlaan 7
B-2550 KONTICH
Belgium
- Invoice date
- Invoice number
- Packing list number
- The name of the person who has passed the purchase order
- Federal-Mogul material code
- Goods description
- Quantity per material
- Purchase order number(s) per material
- Country of origin per material
- Customs tariff code
- Unit price per material
- Total price per material
- Total invoice amount
- Currency
- Terms of payment
- Delivery / INCO terms
- VAT number : BE0452101063
- Tax - VAT rate / amount (if applicable)
- Origin invoice declaration including authorization number (if applicable)

4.4.2 Packing list

- Supplier name + address + code (7 digit)
- Packing list number
- Corresponding invoice numbers
- Corresponding purchase order numbers by material code
- Shipping Carton / Pallet number
- Content per carton / pallet : part number + quantity + country of origin
- Net/gross weight per case
- Total number of pallets
- Total net/gross weight

4.4.3 CMR

The international transport document CMR or waybill is required when the Truck Driver of the Transport Company presents himself at the Federal-Mogul premises.

Following sections and info are required :

- The Supplier code
- The invoice number
- Number of pallets
- Weight and volume
- Floor meters ("FLM") or Loading meters ("LDM") used, if applicable.

To make sure that the transportation company fills out the CMR correctly upon delivery, please make sure you provide them with the above mentioned detailed information.

Example of the CMR :

		Forwarders code				
1 Shipper Supplier name + address		CMR NBR:				
2 Consignee Federal-Mogul EMEA Distribution Services BVBA Prins Boudewijnlaan 7 2550 KONTICH Belgium		16 Forwarding company/agent				
3 Delivery address same as above		17				
4 Place and date of reception		18				
5 Attached documents Supplier : xxx invoice nbr(s) xxxxxx Packing list		18				
6	7	8	9	10	11	12
Product description: xxxxxxxxxxxxxxxxxxxxxxxxxxxx				10 customs nbr	11 weight in kgs	12 volume in m ³
Supplier code: xxx xx palets						
13 Special instructions from Shipper				19		
				20		
14 Shipping term						
21 Place and date of issue				15		
22 Stamp, date and signature supplier		23 Stamp, date and signature forwarding company		24 Stamp, date and signature Federal-Mogul		

4.5 Country of origin

We strongly stress the fact that origins need to be in line with the international agreements for customs regulations / ISO-codes. Therefore the origins must be stated conform the ISO-codes and per part number on the invoices. These origins must be the same as in the EDI transaction. Of course: the “administrative” origin must be equal to the origin, marked on the product itself.

In case of any question in regard to the origin of a part, contact your local Chamber of Commerce or your International Trade Agency located in your country to ensure that always the correct origin is determined.

Even if you only act as a 3rd party logistics provider or hub, you always need to be in line with the correct origins of the goods. This means that the country of origin of the part needs to be respected at any time and cannot change.

Before new parts can be sourced from a new or already existing supplier, the supplier must provide mandatory confirmation to F-M about the origin(s) of all new parts. (read also point 4.6 for additional requirements in regard to the long term declaration)

4.6 Long term declaration

Introduction :

Suppliers must provide by means of a declaration, information concerning the status of products with regard to the preferential rules of origin.

Supplier’s declarations must be used by exporters as evidence in support of applications for the issue of movement certificates Eur1- Eur Med or as a basis for making out invoice origin declarations.

We, Federal-Mogul Global Aftermarket EMEA BVBA , make use of all these possibilities.

When a supplier regularly supplies us with goods whose status, in respect to the rules of preferential origin, is expected to remain constant for a considerable period of time, the supplier must provide us with a single declaration to cover subsequent shipments of those goods.

This document is called Long Term declaration, it can be issued for a period of up to one year from the date of issue of the declaration.

The supplier needs to mention upfront each alteration between the origin of a product send versus the published and declared origin in the long term declaration. The long term declaration needs to be updated and/or corrected immediately by the supplier so that the new long term declaration is in accordance with the actual situation. In case of non-compliance our company will evaluate to what extent the supplier is to be blamed and will debit all received fines accordingly.

The original (corrected and/or updated) long term declaration needs to be sent by courier to F-M Kontich to the attention of the traffic department. A copy of the corrected and/or updated long term declaration needs also to be send immediately to the following email address: Kontich.traffic@federalmogul.com

It consists of :

- the declaration itself as per the rules defined by the EC-Authorities.
- If there is insufficient space on the declaration : a separate list containing all parts supplied.

In practice :

Federal-Mogul Global Aftermarket EMEA BVBA , as per the European Community's preferential rules of origin, will send out, on a yearly basis, a letter asking the suppliers concerned, to issue the Long Term Declaration .

They will receive :

- A letter inviting them to issue the Long Term Declaration
- The Long Term Declaration, as per the specific rules

If the parts supplied do not fit onto the declaration itself, suppliers must issue a separate list and attach this list to the Long Term Declaration.

The list enumerating the parts supplied must show :

- our part number(s)
- the country of origin of each part indicated by - the ISO (2 digit) code
- or the name of the country in full.

Each page must carry :

- the letterhead of the supplier.
- the signature of the supplier
- the date of signature.
- the company stamp.

Consequences :

We cannot and will not accept that, if a supplier is sent such a declaration, it is not returned to Federal-Mogul Global Aftermarket EMEA BVBA . It is **an obligation** for all suppliers that receive an invitation to issue the declaration in full as described .

Failing to comply with this EC-Customs rule, will lead to us losing our Customs authorization, which we cannot accept under any circumstances. This will lead to those suppliers losing our account.

5 GOODS DELIVERY

5.1 Slotting

The forwarding company performing the delivery at Federal Mogul Belgium will have to make a slot booking to be able to unload the cargo.

The slot will be based on the agreements between you, Federal-Mogul and the Transporter who needs to collect the shipment in time at your premises.

Per slot, we will estimate the necessary margins. However, these slots must be followed at all times to ensure a smooth unloading and receiving process. For certain dedicated shipments, lean slots will be provided.

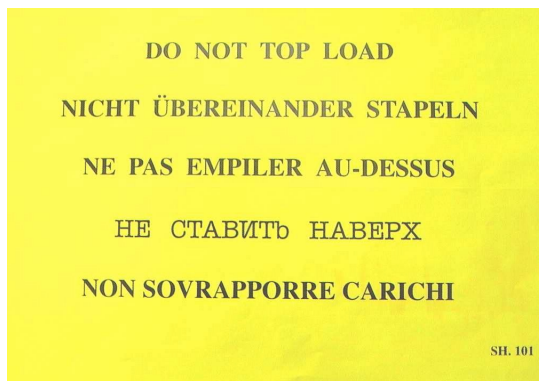
For further information, please contact Inbound.kontich@federalmogul.com or have a look at www.transwide.com.

5.2 Stacking pattern in trailer

The shipping cartons need to be of very good quality in order that double stacking can be done without any risk of collapsing or damaging the products.

When (double) stacking cannot be done (because of the product characteristics and/or weight - safety limitations), a visual (label) must be applied on each of the pallets to ensure that pallets will not be put on each other. Also a special remark has to be made on the transportation document : CMR, Airwaybill or Bill of Lading.

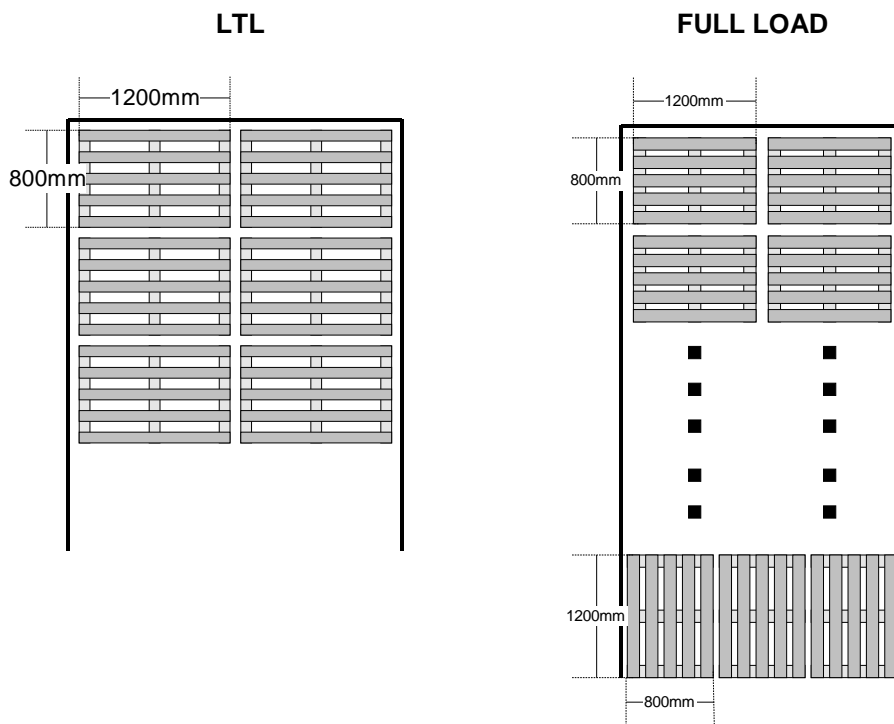
E.g. :



When shipping cartons are provided with a carton cover lid, as described before, than the mixed pallets need to be loaded last into the transport unit (truck, container).

In all other cases, mixed pallets are to be loaded first followed by the homogeneous pallets (ie pallets carrying one material reference).

As per drawing below, all pallets need to be loaded in width direction (unless not appropriate).



The labels need to be attached onto the pallets in order that our forklift driver can easily read and scan the labels.
By opening the trailer, the paperwork should be attached on one of the first cartons.

6 ENVIRONMENT, HEALTH & SAFETY

Federal-Mogul will provide safe and healthy workplaces and will protect the environment insofar as it is affected by our activities, products or services. We will:

- Meet or exceed applicable environmental, health and safety (EHS) requirements imposed by law and any EHS standards or procedures which the company adopts.
- Manage EHS in accordance with ISO 14001, and continually improve the EHS management system and overall EHS performance in pursuit of the company's goal of zero defects in all that we do.
- Develop and implement best practices for worker and environmental protection, including practices to prevent pollution and minimize waste.
- Inform all employees of this policy and provide the training and resources necessary to implement it.
- Develop and implement appropriate EHS objectives and targets as part of our various business plans.
- Employ appropriate EHS performance measures and recognize exemplary accomplishments.
- Conduct periodic self-evaluations and audits of EHS compliance and of EHS management systems, -the results of which will be considered during periodic management reviews of the adequacy of such systems.
- Identify potentially applicable improved EHS management practices, through benchmarking and participation in appropriate cooperative programs to develop such improvements.
- Identify, consider and minimize -in research and development, acquisition, and capital project review and approval activities -- potential EHS impacts of new and modified products and production processes.
- **Consider EHS performance in the selection of suppliers and contractors and work cooperatively with them so that they will support Federal-Mogul's adherence to this policy.**
- Work constructively with government regulators and concerned citizens on EHS issues.

According to our EHS policy and our ISO14001 standard certification, we try to avoid or to minimize any effect to the environment caused by our daily operations. We have the ambition to work closely together with our suppliers in the best co-operative spirit in order to meet our goals while they play a vital part in our processes.

Therefore, we want our Supplier to perform his planning and choice of packing materials, and handling of excess and rejected materials in such a way that the total environmental impact is minimized for the delivered products and services. Above all, our Supplier has to fully consider recyclability and the use of recycled materials when selecting materials and design solutions.

Examples:

- no UV-coating on the cartons → for health reasons
- use plain shipping cartons → re-usable
- use Euro size wooden pallets → re-usable
- use recyclable plastic strapping → to prevent cutting injuries
- optimal use of environmentally friendly filling materials
- ...

When hazardous cargo will be delivered into F-M Kontich, always contact our EHS-Manager in advance.

If an agreement is obtained from the Kontich EHS-Manager (see Annex 1), the Supplier remains responsible for and has to comply with all regulations regarding the transportation of dangerous/hazardous goods.

Any suggestions/comments towards our policy can be forwarded to our EHS-Manager (see Annex 1).

7 NON-CONFORM GOODS

7.1 Product related

When we find non-conforming goods during our inbound process, they will be blocked and handed over to our Quality Department for further follow up with the supplier. The Quality Department makes sure that the non-conforming goods are not saleable by putting the stock into isolation.

7.2 Logistics related

We may refuse unloading your shipment if :

- packaging types are not respected
- info on the pallets is not respected
- paperwork with the shipment is incomplete or missing
- slotting is not respected

When we state damages on the shipment during unloading, we will make a remark on the CMR, according to the international rules for the use of the CMR, and will request the Truck Drivers' signature. A copy of the CMR will be handed over to our Import Desk who will start a damage report.

When hidden damages are stated (e.g. after unloading), the Freight Department and Quality department will be notified in order to start the appropriate procedure.

Damage, due to incorrect internal handling or other reasons, will be fairly reported in order to not hit the Supplier. This means that the Quality Department can contact the Supplier to ask for a re-work of the goods. In this case Federal-Mogul will bear the transportation costs and other costs if agreed with the Product / Inventory Department.

8 ANNEX 1 – FEDERAL-MOGUL CONTACTS

Federal-Mogul
EMEA Distribution Services BVBA
Prins Boudewijnlaan 7
2550 Kontich
Belgium
Tel: + 32 3 450 83 10

Federal Mogul
Global Aftermarket EMEA BVBA
Kontichsesteenweg 67/1
2630 Aartselaar
Belgium
Tel: +32 3 451 97 11

Department	Contact person	Tel. / Fax.	Email
Warehouse Administration	Gert De Bruyn	T. +32 3 450 83 18	Inbound.kontich@federalmogul.com
	Saida Bidani	T. +32 3 451 23 67	
	Nele Gillis	T. +32 3 451 83 22	
	Kathleen Vergauwen	T. +32 3 451 23 69 F. +32 3 450 83 39	
Warehouse Manager	Patrick Costermans	T. +32 3 450 83 21 F. +32 3 450 83 39	Patrick.Costermans@federalmogul.com
Assistant-Warehouse Manager	Ilse Verbruggen	T. +32 3 450 83 46 F. +32 3 450 83 39	Ilse.Verbruggen@federalmogul.com
Freight Management	Robert Aerts	T. +32 3 450 83 47 F. +32 3 450 83 37	Robert.Aerts@federalmogul.com
Import Desk	Rudy Janssens	T. +32 3 450 83 14 F. +32 3 450 83 39	import.desk.kontich@federalmogul.com
Quality Supervisor	Johan Doms	T. +32 3 451 23 68 F. +32 3 450 83 38	Johan.Doms@federalmogul.com
EHS Management	Albert Leroy	T. +32 3 451 01 03 F. +32 3 451 01 01	Albert.Leroy@federalmogul.com

9 ANNEX 2 – SUPPLIER SPECIFICATION CHECKLIST

Product requirements (Chapter 2)	checked
Individual product / retail pack (2.1)	
>> package quantity	
communicated to the EMEA Product Marketing Department	<input type="checkbox"/>
must be fixed	<input type="checkbox"/>
partial packing not allowed	<input type="checkbox"/>
>> box type / individual packaging	
agreed with EMEA Product Marketing Department and in accordance with packaging manual	<input type="checkbox"/>
superb cardboard quality & print quality	<input type="checkbox"/>
pack must be closed in compliance with packaging manual guidelines	<input type="checkbox"/>
fixed box type per part number	<input type="checkbox"/>
>> weight / volume / packaging hierarchy	
All logistic relevant parameters are sent to warehouse management	<input type="checkbox"/>
>> label must mention	
part number	<input type="checkbox"/>
EAN-13 or UPC-A code	<input type="checkbox"/>
Unit pack (UP) / tray / trade pack (2.2)	
>> usage	<input type="checkbox"/>
>> FM UP	
UP-MEZZ 1 (outer dimensions (mm) : 390(L) x 260(B) x 270(H) or min 180(H)	
UP-MEZZ 2 (outer dimensions (mm) : 780 x 260 x 270) or min 180(H)	
fefco 0700	
neutral and strong (must carry up to 30 kg)	<input type="checkbox"/>
only 1 part number per UP	<input type="checkbox"/>
Pre-defined marking on UP	<input type="checkbox"/>
Stacking pattern :	
UP-MEZZ 1: 3 layers of 9 UP's (if 1009), per layer a cardboard sheet	<input type="checkbox"/>
UP-MEZZ 2: 3 layers of 4 UP's (if 1009), per layer a cardboard sheet	<input type="checkbox"/>

Shipping / Packing instr. (Chapter 3)	checked
Pallet types (3.1)	
Euro format 1200mm x 800mm pallet	<input type="checkbox"/>
only wooden pallets of good quality	<input type="checkbox"/>
characteristics of the real Euro pallet	<input type="checkbox"/>
For non-EC shipment : conform ISPM 15	<input type="checkbox"/>
Pallet loading (3.2)	
Maximum height : 1000 mm	<input type="checkbox"/>
Maximum weight : 700 kg	<input type="checkbox"/>
Shipping cartons (3.3)	
Strong, ready to carry 2 high stacking (where applicable)	<input type="checkbox"/>
Pre-defined FM shipping cartons used	<input type="checkbox"/>
Shipment from overseas : use desiccant sachets and seaworthy tri-wall carton	<input type="checkbox"/>
Pallet marks (3.4)	
Odette transport label : displays all information about the shipment	<input type="checkbox"/>
Pallet type indication in fluorescent color	<input type="checkbox"/>
Full (homogeneous) / Mixed pallets (3.5)	
Consolidation of part number in 1 shipping carton	<input type="checkbox"/>
Only 1 brand per mixed pallet	<input type="checkbox"/>
Clear separation between different part numbers	<input type="checkbox"/>
Large qties./heavy parts at the bottom, smaller qties./lighter parts on top	<input type="checkbox"/>
Use F-M UP or equivalent	<input type="checkbox"/>
Stacking according to previously agreed and documented patterns	<input type="checkbox"/>

Information / paperwork (Chapter 4)	checked
Administration before all shipments (4.1)	
Only 1 invoice per shipment ie per truck / container ...	<input type="checkbox"/>
Send invoice and delivery details by EDI in advance directly into our Host system	<input type="checkbox"/>
Send invoices in Ms office format and packing list in excel file by e-mail = ASN	<input type="checkbox"/>
Additional administration for shipments non EC (4.2)	
Truck : original documents to accompany the goods	<input type="checkbox"/>
Airfreight and Seafreight : all needed original documents in advance by courier	<input type="checkbox"/>
Specific requirements for transport methods non EC (4.3)	
Truck / Seafreight / Airfreight / Small parcels	<input type="checkbox"/>
Paperwork with the shipment (4.4)	
Invoice attached to the shipment on last pallet loaded	<input type="checkbox"/>
Packing list attached to the shipment on last pallet loaded	<input type="checkbox"/>
CMR	<input type="checkbox"/>
Country of origin (4.5)	
Must be stated per part number on the invoice and on the packing list	<input type="checkbox"/>
The COO must be the same as in the EDI transmission	<input type="checkbox"/>
The COO must be the same as on the product	<input type="checkbox"/>

Goods delivery (Chapter 5)	checked
Slotting (5.1)	
Make booking for unloading slot (if not ex-works)	<input type="checkbox"/>
Stacking pattern in trailer (5.2)	
Respect stacking pattern in trailer	<input type="checkbox"/>
Use 'do not top load' label if stacking is not allowed > put a remark on transportation document	<input type="checkbox"/>

Environment, Health & Safety (Chapter 6)	checked
Respect our EHS policy	<input type="checkbox"/>
Minimize your impact on environment	<input type="checkbox"/>
Use recycled materials	<input type="checkbox"/>
Use environmental friendly solutions	<input type="checkbox"/>
Dangerous / hazardous goods are sent to F-M Kontich with EHS Manager's approval	<input type="checkbox"/>
If dangerous / hazardous goods are sent, all in line with all regulations on dangerous goods	<input type="checkbox"/>