



# Packaging and cargo container rules of AGR

Logistics Department

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# 1. General information

## 1.1. Abbreviations:

VDB – Packaging instructions

KLT - Small-sized cargo container

GLT – Oversized cargo container

AGR – Automotive Group

Supplier – factory, that made an agreement with AGR for auto parts catering and responsible for shipped goods

Universal container – the packaging used for storage and delivery of goods with various part numbers

Special container – the packaging used for storage and delivery of goods with certain part number

Packaging – a term, that includes universal, special, alternative containers and also other types of package.

1.2. The packaging must comply with technical rules and regulations. All types of cargo containers are subject of statutory safety and environmental regulations.

1.3. The packaging must be accessible for indoors handling operations as well as outdoors. During transportation container should stack to a height of 3 meters. The corresponding load and the stacking option must be shown on the packaging.

# 1. General information

1.4. The supplier ensure that his goods will be packed in such a way that they can flow into the production process of AGR in the agreed quality.

1.5. Usually, it is used AGR containers for goods packaging. In VDB it is determined type of cargo container as well as the its owner. Packaging conditions are regulated in the order for certain good number.

1.6. AGR doesn't provide cargo containers, if according to agreement the supplier uses its own.

The supplier is allowed to use own cargo container only if he previously coordinated this technically with AGR or the BHM in writing.

1.7. If the supplier uses container similar to AGR container, he is obliged to assign the same container number as AGR. Mixing of the circuits cannot be prevented and must be accepted by the supplier.

1.8. In each case described above AGR conclude packaging instructions with the supplier for every part number in the form of VDB. The supplier is obliged to sign the VDB after the transport test (with the first series delivery). The supplier should optimize the packaging process, density of the parts and suggest his ideas to AGR.

1.9. The VDB are binding.

1.10. AGR bears the freight costs for the return empty container, unless otherwise agreed.

1.11. Usually AGR doesn't provide cargo containers for the supplier internal operations, storage of goods and other. Any exceptions must be agreed in writing with AGR.

## 2. Cargo container order

2.1. The supplier has to order universal containers via the AGR container control system. The empty special containers are returned in their entirety.

2.2. The supplier order the universal containers every week through the AGR container control system e-mail. Containers are delivered in the second week after they have been ordered by supplier.

2.3. AGR has discretion to unilaterally change (reduce) order of the universal containers, the supplier will be informed by the e-mail. Reason for the reduction can be lack of empty universal containers, excessive container order and other.

2.4. All cargo containers are provided by the AGR to supplier for free for a certain period. Cargo containers should be used only for production and delivering auto parts for AGR.

2.5. The free usage period is calculated from the transport time of cargo container from AGR (according to data of the consignment inventory) plus two days (= two AGR production days) at the supplier. This period ends by delivering goods at the AGR (according to data of the consignment inventory).

## 3. Cargo container check

3.1. All movements of cargo container between the supplier and AGR are recorded in the logistics system on container accounts. All movements have to be formalize according to the Russian law.

3.2. Every month container management team provides account statement for each supplier by e-mail. All movements of containers between the supplier and the AGR can be tracked there.

3.3. The supplier undertakes to carefully check account statements for possible errors or incorrect entries in the system. If a difference is found in the entries, the supplier can submit a corresponding claim by e-mail to the AGR container management group. The deadline of claim is two weeks from the date of sending the account statement by e-mail to the supplier. If the supplier didn't send the corresponding complain within prescribed period, it means that he confirms that he has left-over containers according to the account statement, sent by the AGR.

3.4. If in entries are any differences, the supplier should prove that documentary (by photo, logs of underdelivery / overdelivery, delivery note and other documents). During five- working days container management group can check that difference and accept or reject it if the evidence provided is insufficient / incorrect.

3.5. AGR has a right to recharge all costs from the supplier, that appears in the result of non-compliance with the procedure of agreeing and approving accounts.

# 4. Inventory

4.1. Once a year it is made an inventory of universal and special containers, usually it happens in the end of October. Each supplier has to participate in annual inventory of containers.

4.2. The supplier is obliged to enter data on the inventory of containers in the inventory inventory of inventory items accepted for safekeeping - Unified Form No. INV-5. The supplier is obliged to send a scanned copy of the inventory to the AGR within 2 (two) working days after the official date of the inventory of the container.

4.3 An AGR employee enters data on the inventory of containers into the logistics system.

4.4. If the Supplier does not take part in the inventory of containers, then the shortage is equal to the current balance of the container (on the day of the inventory). The inventory result for each container article in this case is 0 (zero).

4.5. Inventory differences are provided to the supplier from the AGR within 5 (five) working days after receiving a scanned copy of the INV-5 inventory in the form of an Act on the shortage of containers based on the results of the inventory. Where the actual number of containers is the supplier's data from the inventory inventory INV-5, the number of containers according to accounting data is the balance on the day of the inventory of containers from the logistics system AGR.

4.6. The supplier has 5 (five) working days after receiving inventory list INV-3 to send the corresponding complain, after which compensation for lost containers will be charged by the AGR. The amount of compensation depends on purchase price of the container. AGR creates the direct debit to the supplier. The supplier should pay for the container loss.

4.7. Conditions, date of inventory and deadline of sending the corresponding complain are sent to the supplier in the inventory letter by the AGR.

# 5. Lack of cargo containers

5.1. The supplier has to send the material even if there are lack of cargo containers.

5.2. If the lack of empty containers arose due to the fault of the the supplier as a result of overdue or incorrect order of containers, in the result of order less containers, the supplier has to fulfill responsibilities to the AGR and supply material in its own alternative containers at its own expense.

5.3. The dimensions of the alternative container should always correspond to those of the original container.

5.4. In the event of lack of containers, the supplier must ensure that he has an alternative concept for supplying AGR production. The supplier should sign an agreement with the AGR for supplying production in alternative containers.



## 6. Disposable package

Disposable/ alternative package provided and developed by the supplier should comply with following requirements:

- 6.1. The packaging should be stable enough and comply with technical standards and rules.
- 6.2. To prevent additional expenses during transportation, packaging should be stackable to a height of 3 meters. A corresponding load capacity and stackability must be shown on the package.
- 6.3. Dimension of the disposable package should be the same as the original.
- 6.4. The packaging must be sorted for recycling (no composite materials).
- 6.5. In accompanying and in electronic documents it is necessary to use articles for disposable package from supplement 1.
- 6.6. Disposable package and non-returnable packaging material will be disposed by the AGR.

# 7. Handling with cargo containers

7.1. Containers are provided and shipped clean (i.e. without any remaining packaging and dirt). If the cleanness of cargo containers doesn't meet the transportation quality requirements, the supplier must, at his own expense, take additional measures to achieve it (for example, washing containers or using additional parts protectors).

7.2. Collapsible empty containers usually shipped folded. In individual cases AGR can ship containers in a set-up form.

7.3. The supplier ensure that he won't break containers while indoors and outdoors handling operations.

7.4. It is necessary to follow the following rules while handling operations:

a. Pushing containers with forklift forks is prohibited.

b. Exceed maximum container stacking height is forbidden.

c. The handling and and storage of cargo containers should be carried out in such a way that contamination and corrosion are avoided (protected from the weather, ideally under a roof etc.).

d. Any misuse of cargo containers are forbidden.

7.5. Any expenses, which arose in a result of not following the rules while handling operations, misuse of containers and rough handling with containers, borne by the guilty side.

# 8. Cargo container identification. Goods tag

- 8.1. The supplier mark unambiguously as shipping label each universal and special containers, disposable package, scanner-readable. On the label should be shown the number of package used by the AGR.
- 8.2. To prevent confusion while acceptance of the material, on the container there should be only actual shipping label. The supplier must remove every old labels.
- 8.3. Shipping labels usually are placed on the long side of container/package. For containers with pocket/with a clamping bar shipping label is placed in it. In other cases shipping labels are fixed only with fabric stickers that are weather resistant and can be removed without residue. The usage of glue for placing labels are forbidden. Expenses, that appears in a result of removing label, are borne by the supplier.

## 9. Damaged cargo containers

9.1. Damaged cargo containers should be removed from circulation and sent for repairing. For definition of defects it is necessary to use actual catalog of general damages.

9.2. In agreement with AGR, the supplier can reject technically defective containers belonging to AGR. The return shipment will be at the expense of the supplier. Superficial corrosion is not considered a technical defect.

9.3. Maintenance and repair of containers are made by the owner.

9.4. In case of defining damaged empty cargo containers the supplier has to fix that (photo proof, damage statement, packaging list and over documents) and inform AGR container management group by e-mail during 2 (two) working days.

# 10. Other

10.1. AGR doesn't responsible for damage of supplied material, cased by the supplier as a result of incorrect packaging, violation of principles of handling disposal package, using dirty, wet of damaged cargo containers.

10.2. Should individual provisions of these packaging rules or the attached annexes be invalid or unenforceable for legal or factual reasons, the validity of the remaining provisions shall remain unaffected.

10.3. Current national, european and international requirements for transporting dangerous loads and other legal standards are mandatory.

# Supplement 1.

## Disposable package coding

Packaging number	Packaging type	Length (mm)	Width (mm)	Height (mm)
0001SCH	KLT	300	200	140
0002SCH	KLT	300	200	280
0003SCH	KLT	400	300	140
0004SCH	KLT	400	300	280
0005SCH	KLT	500	300	200
0006SCH	KLT	500	500	500
0007SCH	KLT	580	480	360
0008SCH	KLT	600	400	140
0009SCH	KLT	600	400	280
0010SCH	GLT	800	600	400
0011SCH	GLT	980	580	360
0012SCH	GLT	1000	600	730
0013SCH	GLT	1200	780	1100
0014SCH	GLT	1200	800	400
0015SCH	GLT	1200	800	900
0016SCH	GLT	1200	1000	900
0017SCH	GLT	1600	1200	1100
0018SCH	GLT	2000	1000	700
0000PAL	Wooden pallet	1200	800	150