



CONSIGNMENT PROCESS ASIA PACIFIC

A DRIVE FOR INNOVATION

CONSIGNMENT DEFINITION

1

Consignment contract is a special agreement stating that **materials are owned by the Supplier while they are in transit and also while they are stored physically at the ZF LIFETEC location** (warehouse).

2

Consignment contract does not change piece price or payment term but only **modifies the ownership transfer point**. Transfer of ownership takes place when the parts are pulled out from storage for consumption and this moment is the trigger for the payment term.

3

Detailed definition, in compliance with legal, tax, accounting and customs regulations, is given through the **Consignment contract** - a standard ZF template that must be signed by both parties.

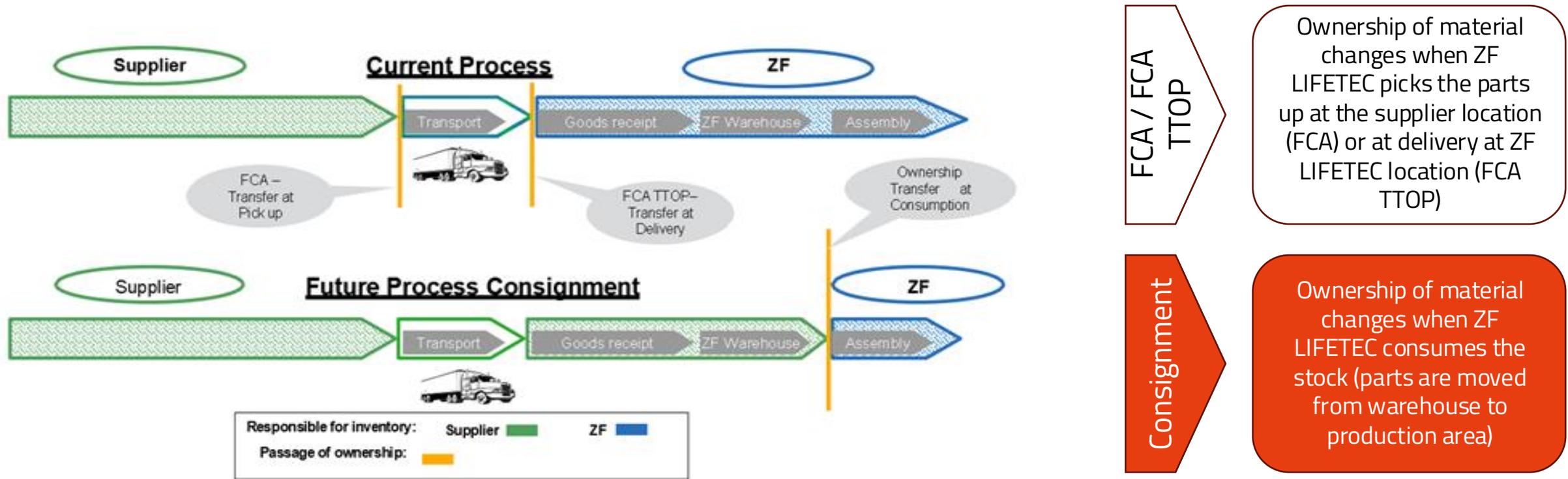
4

Consignment strengthens the relationship between Suppliers and ZF LIFETEC and it **is a mandatory process for strategic supplier status**. It is also a mandatory requirement for the ZF Sourcing Decision Board.

5

Consignment **is independent of Incoterms** : either DAP or FCA can be used. However, **Consignment and TTOP agreement may NOT be combined in the same purchase order** not to create a legal risk → If Consignment agreement is reached in a later stage for a TTOP Supplier, the new PO will be created with the standard FCA Incoterm (without TTOP)

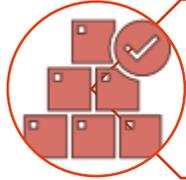
OWNERSHIP TRANSFER POINT



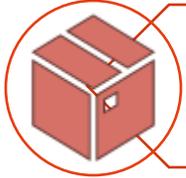
Insurance for consignment goods

- During transport (applicable for FCA INCOTERM): ZF LIFETEC does have insurance coverage for goods in transport. This coverage also includes goods of third parties (suppliers) where ZF LIFETEC is responsible to take out insurance for the supplier's interest
- During storage : the goods in consignment are covered under ZF LIFETEC Property All Risk Insurance program

CONSIGNMENT PROCESS



The Supplier continues to deliver based on the schedule releases provided by ZF LIFETEC under the same INCOTERM (but TTOP will be removed if previously agreed). Stock levels are managed by ZF LIFETEC.



Consigned Goods will be held at a ZF LIFETEC Facility or ZF controlled warehouse, stored separately from non-consigned inventory where feasible. In any case consigned inventory will be identifiable and electronically segregated in the SAP system.



Upon prior notification the Supplier may inspect the Goods during normal business hours and assess their state and proper storage. Physical inventory will be performed 1 time / year (quantity check only).



ZF LIFETEC will be providing the Supplier with **Consignment withdrawal & stock reports** via EDI (VDA or EDIFACT standard) or via e-mail on a regular basis (**usually 1 time / week**)



Invoices are issued by Supplier for the monthly withdrawn quantities.

NOTE : A call between Supplier and ZF plant SCM will be organized for presenting in detail the process and clarify all doubts.

CONSIGNMENT WITHDRAWAL REPORT

| | |
|-------------------------------|---|
| Transmission mode | via email Valid Supplier email address must be set up in ZF LIFETEC system. |
| Transmission frequency | Weekly (as standard) |
| Transmission content | AP ZF LIFETEC plants are sending the Receipts, Withdrawals (separate reports) and Stock info. <i>example provided in the next page</i> |

WITHDRAWAL REPORT ASIA PACIFIC



1. Receipts report (YTD data, not yet invoiced)

| Supplier | Receiver | Item Number | Tr Serial | Receipt | Ship Date | Receipt Qty | qty_open |
|----------|----------|-------------|--------------|------------|------------|-------------|----------|
| 1979 | RC200858 | 34231072A | L20250113005 | 07/03/2025 | 07/03/2025 | 25.000,0 | 4.000,0 |
| 1979 | RC200858 | 34231072A | L20250113005 | 07/03/2025 | 07/03/2025 | 25.000,0 | 4.000,0 |
| 1979 | RC200858 | 34231072A | L20250113005 | 07/03/2025 | 07/03/2025 | 25.000,0 | 4.000,0 |
| 1979 | RC200858 | 34231072A | L20250113005 | 07/03/2025 | 07/03/2025 | 25.000,0 | 4.000,0 |
| 1979 | RC200858 | 34231072A | L20250113005 | 07/03/2025 | 07/03/2025 | 25.000,0 | 1.000,0 |
| 1979 | RC202228 | 34231072A | L20250113006 | 07/09/2025 | 07/09/2025 | 15.000,0 | 3.000,0 |
| 1979 | RC202228 | 34231072A | L20250113006 | 07/09/2025 | 07/09/2025 | 15.000,0 | 4.000,0 |
| 1979 | RC202228 | 34231072A | L20250113006 | 07/09/2025 | 07/09/2025 | 15.000,0 | 4.000,0 |
| 1979 | RC202228 | 34231072A | L20250113006 | 07/09/2025 | 07/09/2025 | 15.000,0 | 4.000,0 |
| 1979 | RC204182 | 34231072A | L20250715001 | 07/17/2025 | 07/17/2025 | 15.000,0 | 3.000,0 |
| 1979 | RC204182 | 34231072A | L20250715001 | 07/17/2025 | 07/17/2025 | 15.000,0 | 3.000,0 |
| 1979 | RC204182 | 34231072A | L20250715001 | 07/17/2025 | 07/17/2025 | 15.000,0 | 3.000,0 |
| 1979 | RC204182 | 34231072A | L20250715001 | 07/17/2025 | 07/17/2025 | 15.000,0 | 3.000,0 |
| 1979 | RC205585 | 34231072A | L20250722001 | 07/23/2025 | 07/23/2025 | 20.000,0 | 2.000,0 |
| 1979 | RC205585 | 34231072A | L20250722001 | 07/23/2025 | 07/23/2025 | 20.000,0 | 2.000,0 |
| 1979 | RC205585 | 34231072A | L20250722001 | 07/23/2025 | 07/23/2025 | 20.000,0 | 2.000,0 |
| 1979 | RC205585 | 34231072A | L20250722001 | 07/23/2025 | 07/23/2025 | 20.000,0 | 2.000,0 |
| 1979 | RC205585 | 34231072A | L20250722001 | 07/23/2025 | 07/23/2025 | 20.000,0 | 2.000,0 |
| 1979 | RC207412 | 34231072A | L20250729001 | 07/31/2025 | 07/31/2025 | 20.000,0 | 2.000,0 |
| 1979 | RC207412 | 34231072A | L20250729001 | 07/31/2025 | 07/31/2025 | 20.000,0 | 2.000,0 |
| 1979 | RC207412 | 34231072A | L20250729001 | 07/31/2025 | 07/31/2025 | 20.000,0 | 2.000,0 |

2. Consumption report (YTD used quantities, both invoiced and not yet invoiced)

| Batch | Usage Date | Supplier | Site | Order | Line | Item Number | Lot/Serial | Ref | Usage Qty | UM |
|-------|------------|----------|------|--------|------|-------------|--------------|-----|-----------|----|
| 10 | 01/02/2025 | 692018 | 182 | S63203 | 29 | A020Y777A | L20241214001 | | 400,0 | EA |
| 10 | 01/02/2025 | 692018 | 182 | S63203 | 30 | A024R948A | L20241221001 | | 1.800,0 | EA |
| 10 | 01/02/2025 | 692018 | 182 | S63203 | 31 | A024R953D | L20241221001 | | 400,0 | EA |
| 10 | 01/02/2025 | 692018 | 182 | S63203 | 32 | A024R954D | L20241221001 | | 1.200,0 | EA |
| 10 | 01/02/2025 | 692018 | 182 | S63203 | 33 | A024C386A | L20241221001 | | 624,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 13 | 34221908B | L20241214001 | | 224,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 29 | A020Y777A | L20241221001 | | 720,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 30 | A024R948A | L20241221001 | | 1.800,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 31 | A024R953D | L20241221001 | | 1.200,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 32 | A024R954D | L20241221001 | | 400,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 33 | A024C386A | L20241221001 | | 1.482,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 13 | 34221908B | L20241221001 | | 288,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 29 | A020Y777A | L20241228001 | | 560,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 30 | A024R948A | L20241221001 | | 1.200,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 31 | A024R953D | L20241221001 | | 800,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 32 | A024R954D | L20241221001 | | 800,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 33 | A024C386A | L20241221001 | | 936,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 13 | 34221908B | L20241221001 | | 320,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 30 | A024R948A | L20241221001 | | 3.000,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 31 | A024R953D | L20241221001 | | 800,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 32 | A024R954D | L20241221001 | | 900,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 33 | A024C386A | L20241228001 | | 936,0 | EA |
| 10 | 01/03/2025 | 692018 | 182 | S63203 | 13 | 34221908B | L20241221001 | | 160,0 | EA |

3. Stock in consignment at transmission date →

| Item Number | Qty on Hand | 供应商 |
|-------------|-------------|----------|
| Item Number | Qty on Hand | Supplier |
| 34360925A | 2.500,0 | 1979 |
| 39700B | 8.000,0 | 1979 |
| 34361148C | 1.000,0 | 1979 |
| 34216050A | 5.000,0 | 1979 |
| 34216050A | 15.000,0 | 1979 |
| 34361148C | 1.000,0 | 1979 |
| 34361148C | 2.000,0 | 1979 |
| 34231072A | 8.000,0 | 1979 |
| 34335071A | 1.800,0 | 1979 |
| 34310974ALC | 5.000,0 | 1979 |
| 34231072A | 15.000,0 | 1979 |
| 34310974ALC | 40.500,0 | 1979 |

These 3 files are sent to Suppliers weekly via email.

INVOICING & PAYMENT PROCESS



The invoice is issued by Supplier for the monthly withdrawn quantities and sent to ZF LIFETEC Accounts Payable



Payment Term starts when the parts are withdrawn, and the Invoice is issued by Supplier.

Payments' frequency = 1 time / month

Payments details (Payment Advice, .pdf form) and a monthly Reconciliation report (.xls form) are sent to Suppliers via automatic email.

PAYMENT ADVICE ASIA PACIFIC

ZF Automotive Safety Systems (Zhangjiagang) Co.,Ltd.

Zhangjiagang

ZF Automotive Safety Systems

Contact:

China

Email: yanmei.xu2@zf-lifetec.com
 Supplier Bank Code: 104465000213
 Supplier Bank Account: 233848709248

RE: Payment Advise:

| Invoice No. | Invoice Date | Payment Amount | Discount |
|----------------------|--------------|----------------|----------|
| 2537200000060890457 | 03/10/2025 | 1577689.7 | 0 |
| 24372000000288750095 | 12/25/2025 | -5785.6 | 0 |
| 2537200000061040058 | 03/10/2025 | 16604.67 | 0 |
| 2537200000060917964 | 03/10/2025 | 1188.58 | 0 |
| 2537200000060939035 | 03/10/2025 | 1335.19 | 0 |
| 2537200000060868268 | 03/10/2025 | 69542.92 | 0 |
| 2537200000060888804 | 03/10/2025 | 8264.37 | 0 |
| 2537200000079925473 | 03/28/2025 | 1537135.62 | 0 |
| 2537200000079964788 | 03/28/2025 | 17385.73 | 0 |
| 2537200000079927180 | 03/28/2025 | 772.92 | 0 |
| 2537200000079928661 | 03/28/2025 | 23473.77 | 0 |
| CNY | | 3247607.87 | 0 |

Your Sincere

ZF Automotive Safety Systems (Zhangjiagang) Co.,Ltd.

RECONCILIATION REPORT ASIA PACIFIC

Consumption date Consumed qty Unit Consumed price qty value



| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | V | W | X | Y | Z | AA |
|--------|---------------|----------|-----------|----|-------------|------|-----------|------------|----------------------|------------|-------------|----------|-----|---|-----------|---------|---------------------|----------------------|-----------|---------------------|-------------|------------------------|---------------|--------------|----------------|
| PO | Supplier code | Receiver | PS Nbr | Ln | Item Number | Line | Tr Serial | Receipt | Eff Date consumption | Ship Date | Receipt Qty | qty_open | Cur | R | base_cost | pur_ext | 开票日期 Invoicing date | Inv Num | Inv Price | 发票金额 Invoice amount | 税率 Tax rate | 价税合计 Total price & tax | Received Date | Hand Over to | Hand Over Date |
| 582291 | 02210 | RC136275 | O24091902 | 14 | 34328079B | R516 | L20240919 | 2024/09/19 | 2024/10/21 | 2024/09/19 | 2700 | 750 | CNY | | 15.26 | 104250 | 2024/11/21 | 24322000000460630328 | 15.26 | 41107.50 | 13% | 46419.23 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC136418 | O24092001 | 14 | 34328079B | R516 | L20240806 | 2024/09/20 | 2024/10/21 | 2024/09/20 | 900 | 900 | CNY | | 15.26 | 137340 | 2024/11/21 | 24322000000460630328 | 15.26 | 137340.00 | 13% | 155113.40 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC137110 | O24092304 | 14 | 34328079B | R516 | L20240923 | 2024/09/23 | 2024/10/21 | 2024/09/23 | 300 | 300 | CNY | | 15.26 | 45780 | 2024/11/21 | 24322000000460630328 | 15.26 | 45780.00 | 13% | 51401.40 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC137251 | O24092401 | 14 | 34328079B | R516 | L20240820 | 2024/09/24 | 2024/10/21 | 2024/09/24 | 2250 | 1800 | CNY | | 15.26 | 273300 | 2024/11/21 | 24322000000460630328 | 15.26 | 273300.00 | 13% | 308865.00 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC137251 | O24092401 | 14 | 34328079B | R516 | L20240820 | 2024/09/24 | 2024/11/01 | 2024/09/24 | 2250 | 450 | CNY | | 15.26 | 68625 | 2024/11/21 | 24322000000460630328 | 15.26 | 68625.00 | 13% | 77342.25 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC144489 | O24102803 | 14 | 34328079B | R516 | L20241028 | 2024/10/28 | 2024/11/01 | 2024/10/28 | 3600 | 3600 | CNY | | 15.26 | 54936 | 2024/11/21 | 24322000000460630328 | 15.26 | 54936.00 | 13% | 61977.48 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC144699 | O24102903 | 14 | 34328079B | R516 | L20241029 | 2024/10/29 | 2024/11/01 | 2024/10/29 | 1500 | 1500 | CNY | | 15.26 | 22890 | 2024/11/21 | 24322000000460630328 | 15.26 | 22890.00 | 13% | 25834.70 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC145210 | O24103101 | 14 | 34328079B | R516 | L20241031 | 2024/10/31 | 2024/11/03 | 2024/10/31 | 3300 | 3300 | CNY | | 15.26 | 50358 | 2024/11/21 | 24322000000460630328 | 15.26 | 50358.00 | 13% | 56904.34 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC146327 | O24110502 | 14 | 34328079B | R516 | L20241105 | 2024/11/05 | 2024/11/07 | 2024/11/05 | 4050 | 4050 | CNY | | 15.26 | 61803 | 2024/11/21 | 24322000000460630328 | 15.26 | 61803.00 | 13% | 69837.39 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC143849 | O24102500 | 14 | 34328079B | R516 | L20241025 | 2024/10/25 | 2024/11/13 | 2024/10/25 | 1650 | 1650 | CNY | | 15.26 | 25179 | 2024/11/21 | 24322000000460630328 | 15.26 | 25179.00 | 13% | 28451.37 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC146550 | O24110601 | 14 | 34328079B | R516 | L20241106 | 2024/11/06 | 2024/11/13 | 2024/11/06 | 1950 | 150 | CNY | | 15.26 | 29757 | 2024/11/21 | 24322000000460630328 | 15.26 | 29757.00 | 13% | 33625.35 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC146550 | O24110601 | 14 | 34328079B | R516 | L20241106 | 2024/11/06 | 2024/11/20 | 2024/11/06 | 1950 | 1800 | CNY | | 15.26 | 29757 | 2024/11/21 | 24322000000460630328 | 15.26 | 29757.00 | 13% | 33625.35 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC147909 | O24111203 | 14 | 34328079B | R516 | L20241112 | 2024/11/12 | 2024/11/20 | 2024/11/12 | 2700 | 2700 | CNY | | 15.26 | 41202 | 2024/11/21 | 24322000000460630328 | 15.26 | 41202.00 | 13% | 46568.26 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC148528 | O24111403 | 14 | 34328079B | R516 | L20241114 | 2024/11/15 | 2024/11/20 | 2024/11/15 | 3300 | 3300 | CNY | | 15.26 | 50358 | 2024/11/21 | 24322000000460630328 | 15.26 | 50358.00 | 13% | 56904.34 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC149427 | O24111902 | 14 | 34328079B | R516 | L20241119 | 2024/11/19 | 2024/11/20 | 2024/11/19 | 4500 | 4500 | CNY | | 15.26 | 68625 | 2024/11/21 | 24322000000460630328 | 15.26 | 68625.00 | 13% | 77342.25 | 2024/11/23 | 朱浩源 | 2024/12/09 |
| 582291 | 02210 | RC149952 | O24112100 | 14 | 34328079B | R516 | L20241121 | 2024/11/21 | 2024/11/21 | 2024/11/21 | 1350 | 1350 | CNY | | 15.26 | 20607 | 2024/12/23 | 24322000000523208482 | 15.26 | 20607.00 | 13% | 23281.70 | 2024/12/27 | 朱浩源 | 2025/01/03 |
| 582291 | 02210 | RC150482 | O24112300 | 14 | 34328079B | R516 | L20241123 | 2024/11/23 | 2024/11/30 | 2024/11/23 | 900 | 900 | CNY | | 15.26 | 13734 | 2024/12/23 | 24322000000523208482 | 15.26 | 13734.00 | 13% | 15607.45 | 2024/12/27 | 朱浩源 | 2025/01/03 |
| 582291 | 02210 | RC151116 | O24112602 | 14 | 34328079B | R516 | L20241126 | 2024/11/26 | 2024/11/30 | 2024/11/26 | 4350 | 4350 | CNY | | 15.26 | 66381 | 2024/12/23 | 24322000000523208482 | 15.26 | 66381.00 | 13% | 75020.25 | 2024/12/27 | 朱浩源 | 2025/01/03 |
| 582291 | 02210 | RC151580 | O24112800 | 14 | 34328079B | R516 | L20241128 | 2024/11/28 | 2024/11/30 | 2024/11/28 | 3150 | 3150 | CNY | | 15.26 | 47865 | 2024/12/23 | 24322000000523208482 | 15.26 | 47865.00 | 13% | 54058.05 | 2024/12/27 | 朱浩源 | 2025/01/03 |

CONSIGNMENT CONTRACT **TEMPLATE**

Since 01.09.2024 there is a **unique template for all regions**

The contract clauses are carefully drafted so that they **comply with all tax, accounting and legal requirements**. For this reasons:

- There are clauses that cannot be changed or introduced (e.g. "obligation to buy") as this would disqualify the contract from being considered a "consignment agreement" by any auditor.
- Supplier may address his concerns after reading the contract to the Commodity buyer or SCM Central contact. Some concerns may be eliminated by a better explanation of the contract wording. The remaining ones will be checked with the appropriate ZF LIFETEC functions (Legal, Tax, Accounting, Plant SCM) to determine if supplier's amendments / changes are acceptable for ZF LIFETEC or for proposing an alternative acceptable wording for satisfying supplier's concerns . All agreed amendments / changes (as few as possible) must be listed in a Side letter clearly specifying the ZF LIFETEC plant for which they are applicable.

Supplier's own contract template cannot be used.

It would be impossible to verify all requirements with all cross functions in each individual case. To ensure a compliant contract the ZF LIFETEC template must be used.





ZF LIFETEC

ZF AUTOMOTIVE GERMANY GMBH

INDUSTRIESTRASSE 20

D-73553 ALFDORF GERMANY

