



CONSIGNMENT PROCESS NORTH AMERICA

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

Consignment **does NOT apply for very low runners and spare parts**

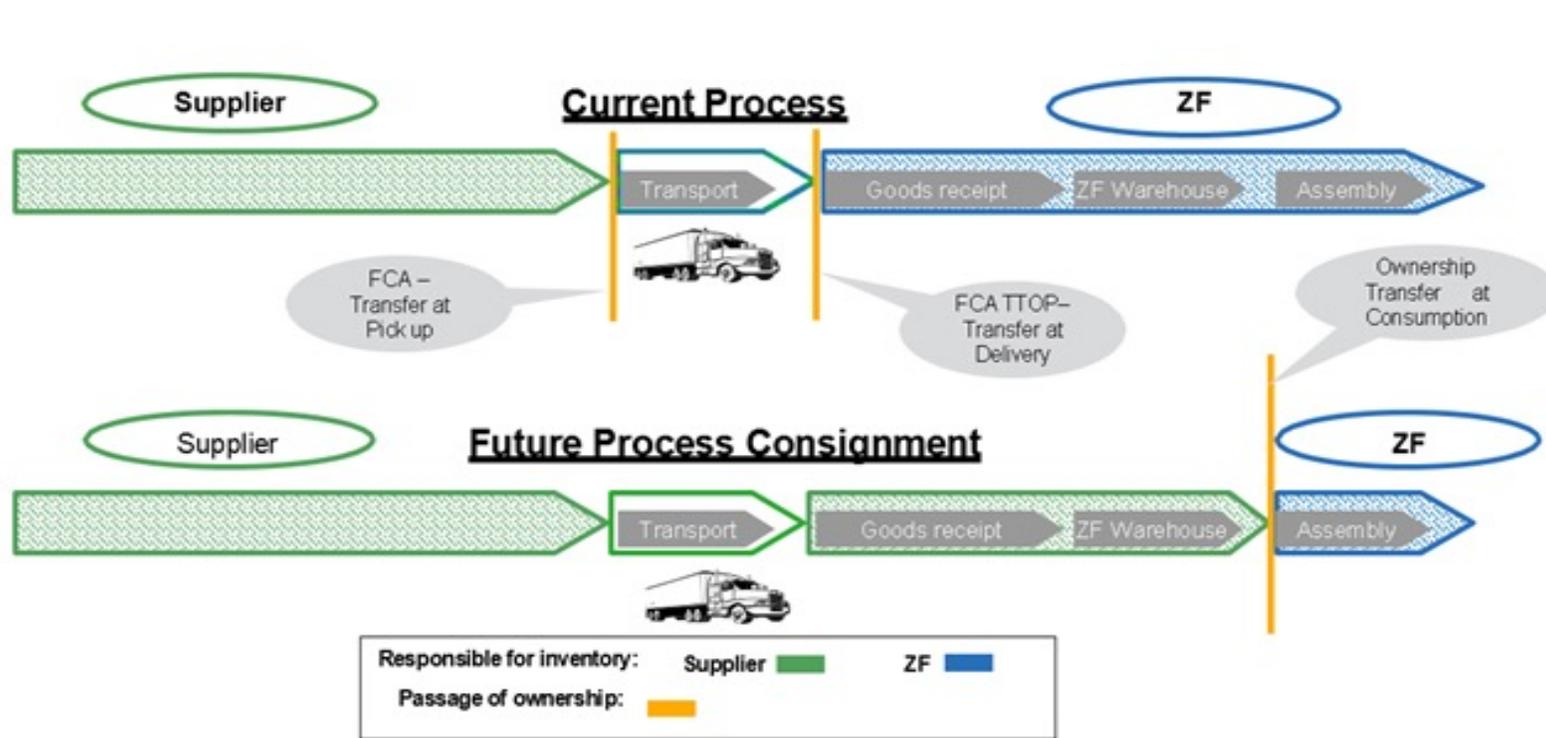
4

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



FCA / FCA
TTOP

Ownership of material changes when ZF LIFETEC picks the parts up at the supplier location (FCA) or at delivery at ZF LIFETEC location (FCA TTOP)

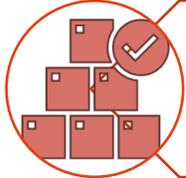
Consignment

Ownership of material changes when ZF LIFETEC consumes the stock (parts are moved from warehouse to production area)

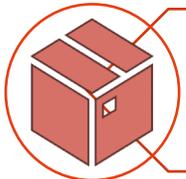
Insurance for consignment goods

- 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 ZF LIFETEC for the withdrawn quantities (Self-billing process) and sent via e-mail (or EDI) to the Supplier

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	<p>Automatically via email Valid Supplier email address must be set up in ZF LIFETEC system.</p>	<p>Automatically via EDI An onboarding web request must be submitted by corresponding ZF LIFETEC location for onboarding the supplier for the below electronic processes :</p> <ul style="list-style-type: none"> ➤ Credit Notes for Consignment ➤ Stock Movements for Consignment <p>Pre-requisites : Delivery Schedules and Delivery Notes (ASN) already set-up.</p> <p>Supplier's IT support will be needed for the setup and testing of these processes.</p>
Transmission frequency	<p>Weekly (as standard)</p>	<p>Weekly (as standard)</p>
Transmission content	<p>the template used by NA ZF LIFETEC plants includes all transactions from the last 90 days: Receipts, Withdrawals, Stock, Payments</p> <p><i>example provided in the next page</i></p>	<p>Global EDIFACT INVRPT / VDA 4990 zf.com/apps/supplierboard/index.html?cluster=DB-5&saml2=Disabled</p>

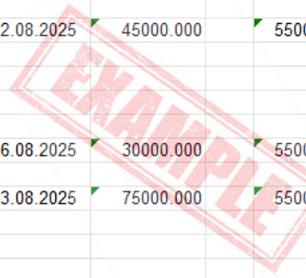
WITHDRAWAL REPORT NORTH AMERICA

RECEIPTS INFO

CONSUMPTION & STOCK INFO

INVOICING & PAYMENT INFO

Supplier Delivery Note							Qty consumed (withdrawn)				Stock qty		Stock value		Self-billing note			Payment date						
Part #	Description	Date Rec#	Qty Receiv	Uo	PO Number	Pack slip	ZF Recv	Text	Date Issued	Qty Issued	Uc	Issued Tkt	Serial	Lot Num	Balance	Value	Statu	Document N	Amount	Cun	Pay Docum	Qty Paid	Paid Dat	
01.08.2025 Opening Balance															60000.000									
34048049A	TU TD FIXATION								01.08.2025	-15000.000	EA	2437591587	99881	102424A	45000.000		Paid	1900414933	259.50	USD	1600076869	15000.000	20250929	
34048049A	TU TD FIXATION	05.08.2025	45000.000		5500234275	100032	5079014182							102424A	90000.000									
34048049A	TU TD FIXATION								07.08.2025	-15000.000	EA	2438105971	99938	102424A	75000.000		Paid	1900415538	259.50	USD	1600077065	15000.000	20251006	
34048049A	TU TD FIXATION								07.08.2025	-15000.000	EA	2438106014	99938	102424A	60000.000		Paid	1900415538	259.50	USD	1600077065	15000.000	20251006	
34048049A	TU TD FIXATION								11.08.2025	-15000.000	EA	2438462934	99938	102424A	45000.000		Paid	1900415915	259.50	USD	1600077137	15000.000	20251008	
34048049A	TU TD FIXATION	12.08.2025	45000.000		5500234275	100110	5079103646							102424A	90000.000									
34048049A	TU TD FIXATION								13.08.2025	-30000.000	EA	2438764774	100032	102424A	60000.000		Paid	1900416201	519.00	USD	1600077183	30000.000	20251010	
34048049A	TU TD FIXATION								15.08.2025	-15000.000	EA	2439073337	100110	102424A	45000.000		Paid	1900416530	259.50	USD	1600077292	15000.000	20251015	
34048049A	TU TD FIXATION								15.08.2025	-15000.000	EA	2439000274	100032	102424A	30000.000		Paid	1900416445	259.50	USD	1600077293	15000.000	20251015	
34048049A	TU TD FIXATION								15.08.2025	-15000.000	EA	2439064397	100110	102424A	15000.000		Paid	1900416497	259.50	USD	1600077292	15000.000	20251015	
34048049A	TU TD FIXATION	16.08.2025	30000.000		5500234275	100166	5079155588							102424A	45000.000									
34048049A	TU TD FIXATION								20.08.2025	-15000.000	EA	2439560538	100110	102424A	30000.000		Paid	1900416975	259.50	USD	1600077526	15000.000	20251020	
34048049A	TU TD FIXATION	23.08.2025	75000.000		5500234275	100240	5079252415							15000	105000.000									
34048049A	TU TD FIXATION								25.08.2025	-15000.000	EA	2440125493	100166	102424A	90000.000		Settled	1900417510	259.50	USD				
34048049A	TU TD FIXATION								28.08.2025	-15000.000	EA	2440584913	100166	102424A	75000.000		Settled	1900417896	259.50	USD				
34048049A	TU TD FIXATION								28.08.2025	-15000.000	EA	2440584927	100240	15000	60000.000		Settled	1900417896	259.50	USD				
34048049A	TU TD FIXATION								01.09.2025	-15000.000	EA	2440960713	100240	15000	45000.000		Settled	1900418229	259.50	USD				
34048049A	TU TD FIXATION								16.10.2025	-15000.000	EA	2446747888	100638	030425A	88000.000		Settled	1900423357	259.50	USD				
34048049A	TU TD FIXATION								17.10.2025	-28000.000	EA	2446877373	100638	030425A	60000.000		Settled	1900423436	484.40	USD				
21.10.2025 Closing Balance															1080.000									
01.08.2025 Opening Balance															63000.000									
34067790A	B299 SCREW SEL								01.08.2025	-9000.000	EA	2437451386	99939	081424A	54000.000		Paid	1900414822	297.00	USD	1600076869	9000.000	20250929	
34067790A	B299 SCREW SEL	05.08.2025	27000.000		5500234277	100033	5079014184							081424A	81000.000									
34067790A	B299 SCREW SEL								05.08.2025	-9000.000	EA	2437899583	99939	081424A	72000.000		Paid	1900415362	297.00	USD	1600076985	9000.000	20251003	
34067790A	B299 SCREW SEL								06.08.2025	-9000.000	EA	2438058057	99882	081424A	63000.000		Paid	1900415496	297.00	USD	1600077065	9000.000	20251006	
34067790A	B299 SCREW SEL								08.08.2025	-9000.000	EA	2438311075	99939	081424A	54000.000		Paid	1900415801	297.00	USD	1600077065	9000.000	20251006	
34067790A	B299 SCREW SEL	12.08.2025	27000.000		5500234277	100111	5079103665							081424A	81000.000									
34067790A	B299 SCREW SEL								12.08.2025	-9000.000	EA	2438643008	100033	081424A	72000.000		Paid	1900416071	297.00	USD	1600077183	9000.000	20251010	
34067790A	B299 SCREW SEL								12.08.2025	-9000.000	EA	2438643011	100033	081424A	63000.000		Paid	1900416071	297.00	USD	1600077183	9000.000	20251010	
34067790A	B299 SCREW SEL	16.08.2025	18000.000		5500234277	100167	5079155590							081424A	81000.000									
34067790A	B299 SCREW SEL								18.08.2025	-9000.000	EA	2439227971	100111	081424A	72000.000		Paid	1900416660	297.00	USD	1600077292	9000.000	20251015	
34067790A	B299 SCREW SEL								18.08.2025	-9000.000	EA	2439227977	100111	081424A	63000.000		Paid	1900416660	297.00	USD	1600077292	9000.000	20251015	
34067790A	B299 SCREW SEL								19.08.2025	-9000.000	EA	2439424251	100111	081424A	54000.000		Paid	1900416887	297.00	USD	1600077417	9000.000	20251017	
34067790A	B299 SCREW SEL								22.08.2025	-9000.000	EA	2439853555	100033	081424A	45000.000		Paid	1900417262	297.00	USD	1600077526	9000.000	20251020	
34067790A	B299 SCREW SEL								22.08.2025	-9000.000	EA	2439853564	100167	081424A	36000.000		Paid	1900417262	297.00	USD	1600077526	9000.000	20251020	
34067790A	B299 SCREW SEL	23.08.2025	36000.000		5500234277	100241	5079251829							081424A	72000.000									
34067790A	B299 SCREW SEL								28.08.2025	-9000.000	EA	2440584929	100241	081424A	63000.000		Settled	1900417896	297.00	USD				



INVOICING & PAYMENT PROCESS



ZF LIFETEC NA plants are under ERS Program (Electronic Receipt Settlement) → only **Self-billing process** is possible. Once the parts are removed from the warehouse, they are automatically settled for payment according to the contractual payment terms. More exactly, the system is creating every 3 hours a Self billing document – its number appears in the 2nd column in the Payments information section of the Withdrawal report.

The Self-billing notes are sent automatically by email in a .pdf format.



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

Payments' frequency = 2 -3 times / week

Payments details (Remittance Report) are sent to Suppliers in .pdf form via automatic email.

PAYMENT ADVICE DOCUMENT



ZF North America, Inc.
15811 Centennial Drive
Northville, MI 48168

EFT#1600046257
Date 10/03/2025

Dollars And Cents\$ EUR

GERMANY

Deposited to Account #0004002602

NON-NEGOTIABLE

EXAMPLE

Attention: Accounts Receivable

Date 10/03/2025
EFT# 1600046257
Vendor No [REDACTED]
Page 1 OF 3

Invoice Ref#	TRW Ref#	Type	Date	Gross	Discount	Net		
PO#/SA#	Line#	TRW Part#	Plant	Quantity	UOM	Unit Price	Total	Ticket
1900858975	1900858975		07/19/2025	385,66	0,00	385,66		
Packing slip info:								
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436010977	
5500210864	00010	34244558B 454A	200,000	EA	0,965	193,04	2436010998	
1900859038	1900859038		07/19/2025	2.993,22	0,00	2.993,22		
Packing slip info:								
5500232345	00010	34217357C 454A	400,000	EA	0,610	244,16	2436062065	
5500232345	00010	34217357C 454A	400,000	EA	0,610	244,16	2436062069	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436062266	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436062308	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436062342	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436062354	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436062087	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436062100	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436062030	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436062158	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436062175	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436062284	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436062133	
5500210864	00010	34244558B 454A	200,000	EA	0,965	193,04	2436061632	
5500210864	00010	34244558B 454A	200,000	EA	0,965	193,04	2436061616	
1900859413	1900859413		07/20/2025	709,92	0,00	709,92		
Packing slip info:								
5500232344	00010	34217358C 454A	400,000	EA	0,592	236,64	2436092315	
5500232344	00010	34217358C 454A	400,000	EA	0,592	236,64	2436092312	
5500232344	00010	34217358C 454A	400,000	EA	0,592	236,64	2436092314	
1900859429	1900859429		07/20/2025	1.119,62	0,00	1.119,62		
Packing slip info:								
5500232344	00010	34217358C 454A	400,000	EA	0,592	236,64	2436096602	

[REDACTED] Date 10/03/2025
EFT# 1600046257
Vendor No [REDACTED]
Page 3 OF 3

Invoice Ref#	TRW Ref#	Type	Date	Gross	Discount	Net		
PO#/SA#	Line#	TRW Part#	Plant	Quantity	UOM	Unit Price	Total	Ticket
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436307551	
5500210863	00010	34244557B 454A	200,000	EA	0,963	192,62	2436307531	
5500210865	00010	34244559B 454A	200,000	EA	0,954	190,76	2436295911	
5500210865	00010	34244559B 454A	200,000	EA	0,954	190,76	2436295918	
5500210865	00010	34244559B 454A	200,000	EA	0,954	190,76	2436307422	
5500210865	00010	34244559B 454A	200,000	EA	0,954	190,76	2436307432	
5500210865	00010	34244559B 454A	200,000	EA	0,954	190,76	2436307445	
5500232346	00010	R000D402A 454A	1.000,000	EA	0,410	409,70	2436310490	
5500232346	00010	R000D402A 454A	1.000,000	EA	0,410	409,70	2436310477	

TOTAL EFT Number 1600046257 10/03/2025 15.109,70

It is also referred to as **Remittance report**

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

