

**Supplier Shipping Guideline  
Contitech USA, Inc - 2022**

Contitech

Dear Supply Partner:

Continental is committed to providing its shareholders, customers, and supply partners with the highest level of quality and value. To accomplish this, Continental continuously strives to work with all business partners to improve the effectiveness and efficiency of all business operations. Inefficiency that is not addressed results in costly waste that penalizes all stakeholders.

A key element of the Continental's quality system is tracking supplier performance and ensuring corrective actions are taken when needed. This process involves:

1. A Supplier Guideline that provides expectations for doing business with Continental.
2. A Supplier Scorecard that is based on Quality metrics and customer support

In a determined effort to remove waste from our logistics processes, Continental will be implementing new shipping guidelines in North America for all supplier shipments. These instructions cover Continental's expectations regarding:

- Processing purchase orders
- Preparing goods for shipment
- Providing necessary shipping documentation

The guidelines set forth here are customary, best practice requirements. Adhering to these guidelines will result in less over-all waste maximizing quality and value for all stakeholders.

Please forward these instructions to the responsible individuals in your distribution and logistics organizations. If you have any questions or require additional information about any of Continental's requirements, please contact your assigned purchasing manager

## Contents

<b>1. Supplier Specific Information</b> .....	3
1.1. PO Fulfillment .....	3
1.2. Shortages .....	3
1.3. Overages .....	3
1.4. Additional Requirements .....	4
<b>2. General Packaging Requirements</b> .....	5
<b>3. Labeling Requirements (Cartons and Skids)</b> .....	6
3.1. General requirements .....	6
3.2. Detailed Label Requirements: .....	6
3.3. Master Pallet Label Requirements: .....	7
3.4. Mixed Pallet Label Requirements:.....	7
<b>4. General Shipment Requirements</b> .....	8
<b>5. Hazardous Materials &amp; Additives</b> .....	8
<b>6. Pallet Requirements</b> .....	9
<b>7. Container Requirements</b> .....	11
<b>8. Booking requirements for Containers</b> .....	12
<b>9. Shipping Documents</b> .....	13
<b>10. Domestic Shipments</b> .....	14
10.1. Moberly: .....	14
10.2. Smyrna.....	14
10.3. Other.....	14
<b>11. International Shipments</b> .....	15
<b>12. Supplier Compliance Infractions</b> .....	15
12.1. Infraction types .....	15
<b>13. Hours of Operation at Distribution Centers:</b> .....	18
<b>14. Supplier Contacts</b> .....	20

## 1. Supplier Specific Information

### 1.1. PO Fulfillment

- 90% PO (units and dollars) shipped per line item
- All lines closed once 90% filled within lead time
- PO line tolerance +/- 10%
- Each line item on this PO must be ready for shipment within delivery date established on this PO. Should supplier fail to ship within a 2-week grace period from established delivery date, this order may be subject to cancellation at buyer's discretion without any liability to buyer

### 1.2. Shortages

- Shortages detected by receiving at the time of delivery will be noted on the carrier delivery receipt and will be documented
- Shortages discovered during the put away process will be documented
- All shortages will be reported to supplier within 10 workdays of material receipt
- Goods will be removed from posting and supplier will be asked to submit a clearing credit document within 10 workdays of the notification
- Failure to submit credit document will result in indefinitely delayed payment of the entire invoice

### 1.3. Overages

- Supplier will be advised of any overage within 10 workdays of receipt
- At Continental discretion, goods can be added to PO and received into stock
- If received, Supplier will be asked to submit an additional invoice referencing PO as requested by Continental
- If Continental will not accept the overage, supplier will have the option to have the product picked up at the Continental warehouse, returned at supplier expense, or scrapped on site

- If no response from supplier in 10 workdays of notification, overages will be scrapped, with no payment responsibility.
- Needed clarification will be handled by the Continental buyer and/or purchasing manager

#### **1.4. Additional Requirements**

- Collect shipments must be authorized by Continental
- Firm PO confirmation to be provided within 2 workdays electronically/per mail
- Production updates required within 7 days of receiving Continental open order report (distributed every 30 days)
- All email requests need to be answered within 2 workdays.
- Open order reports will be sent to Supply Chain every month based on due dates scheduled
- Packing list and Invoices must be in PDF and excel format and sent to TE\_LQ\_SM\_ShippingDocs ShippingDocs@continental.com and ap\_sh@continental.com
- All container numbers need to be sent to [ShippingDocs@continental.com](mailto:ShippingDocs@continental.com)
- For collect shipments supplier must notify freight forwarder at least 4 weeks (ocean) or 1 week (domestic) before pickup and provide quarterly updates on demand to freight forwarder.

## 2. General Packaging Requirements

Suppliers are required to comply with the standards identified in this manual.

Suppliers are responsible for assuring packaging is capable to adequately protect product and ensure product during normal transportation and handling methods.

A standard packaging quantity and container size must be established and adhered to for all product shipped. Suppliers shall not deviate from this standard box quantity without permission from Continental Purchasing.

Use of recyclable materials is encouraged when possible and cost effective. Use of salvaged pallets is prohibited.

### 3. Labeling Requirements (Cartons and Skids)

(failure of any of the following mentioned label requirements will result in a penalty):

#### 3.1. General requirements

- No mixed cartons (1 SKU per carton)
- Continental can individually authorize mixed product boxes when low volume parts (less than 10pc per SKU) are ordered within a load; a label for “mixed product” needs to be added on the box.
- White labels with black print
- Labels can be paper or polypropylene with dimensions 4” x 6” to 6.5”
- Product description on each carton
- Barcode type: 3 of 9 (for all barcodes but UPC)

#### 3.2. Detailed Label Requirements:

- Carton piece quantity, with barcode
- Continental SAP material code
- Serial number (if compatible and setup) with barcode
- Purchase Order number(s) with barcode
- Supplier name, address, and country of origin
- Universal Product Code, with 12-digit barcode type (UPC-A)
- Continental Part Number (industry standard) with barcode
- Two labels required (two different sides):
  - Upper right corner
  - Adjacent panel
- Scannable labels are required.



### 3.3. Master Pallet Label Requirements:

- Master pallet label to be applied to front and side (2 labels total). outside of shrink wrap.
- Customer number (SAP material code/number), with barcode
- Purchase Order number(s) with barcode
- Total pallet piece quantity, with barcode
- Supplier name, address, and country of origin



### 3.4. Mixed Pallet Label Requirements:

- “Mixed Pallet” label to pallet on all sides (4 labels) outside of shrink wrap (Previous approval from Continental)
- Label must include:
  - Supplier Name
  - Address
  - Country of Origin
  - Purchase Order Number(s).





#### **4. General Shipment Requirements**

- Shipments should be “Error Free”
- Shipping documents (Invoice, Package List, BOL in both PDF and excel file) should be sent complete and in order prior to shipment pick up.
- One invoice per container should be released, to avoid delays per forwarder vessel capacity.
- Shipments must have a detailed packing list attached to the shipment in plain sight
- Pallet Listing for each pallet should be placed under shrink wrap
- Pallet Lists will summarize all SKUs on each pallet.
- No need to have single boxes on pallets shrink wrapped
- Shipments must be palletized and grouped by PO then grouped by part
  - Multiple PO shipments must be grouped and palletized by PO
  - Pallets with mixed PO’s should be group by each PO in contiguous layers
  - Mixed part (SKU) skids should group each part number (SKU) together in contiguous layers on one pallet base, separated by slip sheet

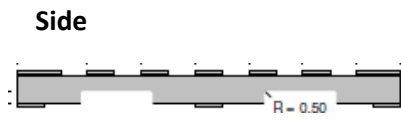
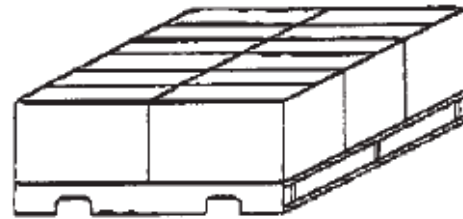
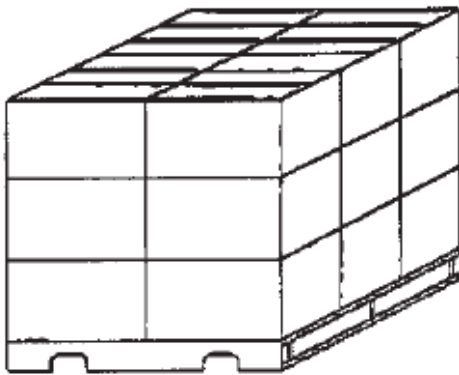
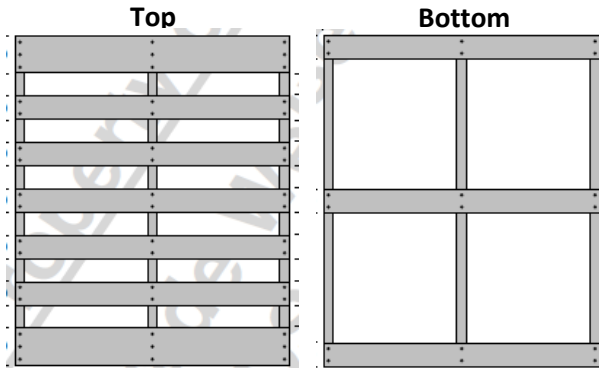
#### **5. Hazardous Materials & Additives**

- The supplier is responsible for assuring shipment of hazardous materials be in compliance with all government regulations or any other relevant international, federal, state, provincial or local requirement.
- The supplier is responsible for informing Continental of any packaging that contains materials that may render the packaging “hazardous” as defined by the laws of the country or countries where the packaging is to be used. This information should be in the form of a notification to the supplier’s purchasing contact that includes the Continental Part Number and the hazardous constituent of concern that is incorporated in the packaging.

- Approval for the transfer of ownership to the using plant of hazardous packaging will require the approval of the plant environmental engineering based on the availability of suitable and economical disposal.
- The shipping and receiving location's hazardous material decision authority and/or PPL must approve any additives (i.e. corrosion inhibitors) on the parts or within the package to determine environment and production impacts.
- Any corrosion inhibiting measure must be compatible with mating assemblies if the additive is to remain on the part. Compatibility will be determined by Continental prior to the supplier shipping the first production intended materials. The supplier is required to provide "Material Safety

## **6. Pallet Requirements**

- Pallet sizes 45"x48" and 40"x48" are to be used
- Pallet 4-way entry, ISPM certified heat treated and free from pests.
- All pallets shall be constructed of wood unless approved by Continental.
- Pallets must have minimum strength to withstand normal material handling and distribution.
- All pallets must be in excellent condition.
- Salvage pallets are prohibited.
- A fully loaded pallet must be less than 2000 lbs.
- Carton labels must face outside of pallet
- Disposal Fees for any other dimensions delivered might apply
- Wing tipped pallets accepted
- Shrink wrap suggested standard: Minimum 80-gauge wrap
- Wrap style: 4 complete wraps around bottom of pallet, at least 50% overlap continued to the top, and 4 complete wraps at top of pallet
- Product cannot over-hang on pallet causing carton damage



## 7. Container Requirements

- Inspect for damage and ensure container is clean. When standing inside, no light must come in from outside, no holes or cracks in ceiling, side walls, or floors
- All containers must be swept and free debris, scrap wood, etc., prior to loading
- Contaminated loads shall be set to clean up before sailing, costs of the service will be transferred to the supplier at the same invoice cost that Continental had previously paid.
- Container space, cube and/or weight should be maximized
- Block and brace to decrease movement while in transit, using appropriate gauge pallet wrap, load bars, strapping, airbags or dunnage to secure the load and minimize movement while in transit
- One printed packing list and/or detailed manifest inside of each container—attached and in plain sight on the first skid to be unloaded; if multiple containers shipped at one time, must have one packing slip **per** container contents, with container number noted.
- Commercial invoice requirements:
  - Invoice number and date
  - Name and Address of the Seller (shipper if not a purchase transaction)
  - Name and address of the purchaser (consignee if not a purchase transaction)
  - Purchase order number(s)
  - Detailed description of the merchandise
  - Unit quantity of goods being imported
  - Weights of goods being imported
  - Unit Price and extended total for all line items
  - Currency of the transaction
  - All relevant discounts
  - Country of origin of each item
  - USA HTS classification number (minimum 6 digits)
  - Terms of sale of the transaction (Incoterm 2010)
  - The entire invoice must be in English, or translated into English
  - Goods or services furnished for production of merchandise not otherwise included in the invoice price (i.e. assists)
  - Name and signature of a responsible individual (an employee of the seller or shipper) who can readily obtain knowledge of the transaction

- Continental SAP material number for each line item
- Manufacturer's complete name & address if different from seller
- All additional including: freight, insurance, commission, cases, containers, coverings, costs of packing
- Detailed packing list: contents of each individual package

## **8. Booking requirements for Containers**

- Contact information for container shipments should be obtained from the purchase order.
- For International shipments we require a TELEX BOL. Requirements are:
  - Po(s) listed
  - Shipment weight, pallet, count, and total units
- Premium or Expedited freight paid by Continental requires Continental approval, and an E-sign # provided by Continental must be on the request to the freight provider as well as on the BOL
- For more information on bookings and commercial invoices please visit:

<https://www.continental-corporation.com/en/sustainability/general-information/suppliers-63222>

## 9. Shipping Documents

### Packing list requirements

- PO(s) listed
- 3 copies of the pack list (total pallet and total piece listed on pack list):
  1. On the freight inside the shipping container
  2. With/For the driver
  3. An electronic copy to be sent to Conti (AP and Supply Chain)
- For any shipment over 10-line items, an Excel format of the pack slip must be sent
- Example of packing list is provided in the appendix

### Bill of lading requirements

- PO(s) listed
- Shipment weight, pallet count, and total units

Documentation	Include on Bill of Lading	Include On Packing List
Name of Shipper-Complete Address (COO) or City, State and zip code	X	X
The complete Continental warehouse Address	X	X
Complete Purchase Order #	X	X
Date Shipped, Carrier used, Payment Terms & Instructions	X	
Number of pallets, carton, pieces, and weight for each PO, being shipped on bill of lading	X	
Number of cases, pieces, weight, case pack, for each shipment by item number. Must have Continental Item #		X
Ship to Arrive (should match what's on PO #)	X	
Complete description of goods with an accurate NMFC item number and freight classification.	X	X
Indicate any delivery instructions received either from our Distribution Centers	X	
All sorting and segregating charges are to be billed to shipper	X	
Rush or Special Order must be approved by Logistics/Routing Team	X	

## 10. Domestic Shipments

### 10.1. Moberly:

- If delivery includes 10 or more pallets, a delivery appointment window must be scheduled and DSV Receiving team must be contacted @ 816-559-0176 or [39receiving@continental.com](mailto:39receiving@continental.com) .
- For all LTL and FTL shipments, please contact Penske Logistics as per routing guide listed on PO for preferred carrier. All routings and pick-ups must be requested via the Penske Web Portal <https://www.penskelogistics.net/OrderTrack/> If you do not have access this site please contact the Penske operations team at [contitechpenske@penske.com](mailto:contitechpenske@penske.com) or by phone at 1-844-952-4570 for credentials and training.

### 10.2. Smyrna

- The Continental ContiTech USA, Smyrna warehouse has hours of Receiving Operation (8AM-5PM Central); the supplier must schedule deliveries within the hours of operation of the receiving dept.
- E mail address for appointments is: [Univsmyrna@goutsi.com](mailto:Univsmyrna@goutsi.com)

### 10.3. Other

## 11. International Shipments

For all prepaid “less than container load” and “full container load” shipments, please see the purchase order for preferred freight forwarder; if the shipment is given to a preferred LCL/FCL carrier in a timely manner, supplier will not be responsible for missed or late deliveries. Has to be clearly defined for on time delivery in case of EXW or FCA origin

## 12. Supplier Compliance Infractions

Suppliers are responsible for the quality, on-time delivery, and reliability of the products they supply. Supplied parts must be free from defects and meet all applicable specifications contained in Continental design, drawing specifications and any additional requirements stated on the Purchase Order (such as packaging).

### 12.1. Infraction types

The following 15 infraction types are what Continental defines as infractions when supplier shipments are processed.

1. Substandard Packaging: (specific packaging info in dedicated section)  
*Example 1: Mixed parts inside container with no separation, poor packaging resulting in hidden damage.*  
*Example 2: Non-ISPM 15 compliant wood packaging used for international shipping.*
2. Kit Pack or Standard Package Quantity (SPQ) Error: Parts or Kits not prepackaged; Parts not packaged in standard package quantities (SPQ).
3. Multiple Stock Order Shipment to same Continental DC in same week.



4. Incorrect Carrier: Approved LTL vs. Non-approved LTL or LTL vs. UPS.
5. Shipped to wrong location.
6. Wrong part number shipped.
7. Part Number Identification: Container label or bar-coded elements bad or missing. Mixed load labels not present on four sides of the over pack container for LTL shipments. Small boxes or parcel shipments require only 1 mixed load label.
8. Quantity Received does not match packing slip.
9. Packing Slip Missing, Incomplete, or Incorrect PO reference.
10. Purchase Order Discrepancy: duplicate PO, PO order line confirmed to be canceled.
11. Infraction for duty paid on NAFTA eligible product.
12. Label and Bar Code: Individual parts not labeled and/or bar coded at the salable unit level.
13. Traffic: Incorrect carrier used to parts warehouse.
14. Pallet Sizing Error: Oversized pallet not pre-approved, justified by product footprint, or dimensions otherwise non-compliant with guidelines.
15. Individual Part Packaging: Part package oversized, package dimensions changed without prior notice, package not adequate to function or otherwise non-compliant with guidelines.

Non-Compliance Action When infractions occur, Continental has the authorization to take one of the following actions:

- Receive Shipment/no debit
- Receive Shipment and issue debit
- Reject Shipment/no debit
- Reject Shipment and issue debit

The Supplier is notified via email and through the SIS in the event of a Supplier shipping infraction. If the Supplier fails to follow the guidelines as outlined, they will be debited for the amounts listed below until the errors are corrected. In cases where infractions have significant impact on Continental's operations Continental will debit immediately for the total costs incurred.

Experience has proven that prompt attention to working with Continental personnel in resolving issues when they first occur is the best way avoid infractions and/or debits.

Suppliers will have a grace period of 30 days from the infraction and email date of an infraction in which to correct a problem.

If a third infraction of the same type occurs between the next 30-60 days, a charge of \$200 per infraction would be debited.

The charge increases to \$300 if the problem still has not been resolved in 60-90 days, and then to \$500 per infraction if not resolved in 90-120 days.

#### Time Period Documentation & Debit Amount

0-30 days	Details logged \$0
30-60 days	Details logged \$200 each infraction
60-90 days	Details logged \$300 each infraction
90-120 days	Details logged \$500 each infraction

Note: Any freight charges incurred with infractions that exceed \$25 will also be added to the debit amount

### **13. Hours of Operation at Distribution Centers:**

- The Continental USA, Moberly warehouse has hours of Receiving Operation (7AM-7PM Central); the supplier must schedule deliveries within the hours of operation of the receiving dept.
- The Continental Mexico, San Luis Potosi warehouse has hours of Receiving Operation (8AM-4PM Central); the supplier must schedule deliveries within the hours of operation of the receiving dept.
- The Continental USA, Smyrna warehouse has hours of Receiving Operation (8AM-5PM Central); the supplier must schedule deliveries within the hours of operation of the receiving dept. E mail address for appointments is: [Univsmyrna@goutsi.com](mailto:Univsmyrna@goutsi.com)

## Appendix

### Ex of packing slip

#### Packing List

Buyer (if not consignee)  
Contitech USA, INC  
 703 S Cleveland Massillon Rd  
 Fairlawn, OH 44333  
 United States of America

No.: If suppliers uses a tracking no. per  
shpmt  
 Date: xx-xx-xxxx  
 Terms of payment: xxxx

Consignee  
Contitech USA, INC  
 1755 State Highway DD  
 Moberly, MO 65270  
 United States of America

ETD: xx-xx-xxxx  
 ETA: xx-xx-xxxx

USD  
 Incoterms xxxx

Shipped from: supplier address  
 Shipped per: ex vessel/container, tracking

Pallet 1										
Carton No	Quantity per Ctn	PO	PO line item	Supplier Code	Part No. (Continental)	Sap Material (Continental)	total quantity	nw/kgs	gw/kgs	
1	50	4702111111	10	xxxxxxx	60000	20000000	50			
2	50	4702111111	20	xxxxxxx	60001	20000099	50			
3	25	4702111111	30	xxxxxxx	60002	20001000	25			
subtotal							125	200	225	
Pallet 2										
Carton No	Quantity per Ctn			Supplier Code	Part No. (Continental)	Sap Material (Continental)		nw/kgs	gw/kgs	
1	50	4702111112	10	xxxxxxx	60000	20000000	50			
2	50	4702111112	20	xxxxxxx	60001	20000099	50			
3-4	25	4702111112	30	xxxxxxx	60009	20001001	50			
5	100	4702111111	40	xxxxxxx	60010	20008888	100			
subtotal							250	400	450	
2 pallets					<b>GRAND TOTAL</b>			375 PCS	NW/KGS 600	
									GW/KGS 675	
Total: 1-2 (2 pallets)							We certify that goods are			
total cartons: 2 pallets=8 cartons							XXXXXX origin			
Total: 375 pcs										
Total new weight: 600 kgs										
Total gross weight: 675 kgs										

## 14. Supplier Contacts

Please complete and return to Continental. Provide the following information for all shipping points. Note that an electronic response is preferred:

Company Name \_\_\_\_\_

### Shipping Contacts:

Primary \_\_\_\_\_

Alternate \_\_\_\_\_

Email \_\_\_\_\_

### Customer Service Contacts:

Primary \_\_\_\_\_

Alternate \_\_\_\_\_

Email \_\_\_\_\_

### Ship Point:

Street Address (1) \_\_\_\_\_

Street Address (2) \_\_\_\_\_

City \_\_\_\_\_ State/Country \_\_\_\_\_

Phone \_\_\_\_\_

Hours of Operation \_\_\_\_\_

Time Zone \_\_\_\_\_

Email \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

(Name Print) \_\_\_\_\_

Please forward your response to email [Vendors@continental.com](mailto:Vendors@continental.com)

## Appendix B

Molded Hose Packaging & Labeling Standards:

Labeling: See examples 1 and 2 for details on labeling of hose

All molded radiator hose will be labeled with a “luggage tag” wrapped around the molded hose leaving two inches free on both ends. (See Appendix A for details) The Vendor Label Guide will specify which length of label to be used on which hose if needed, part numbers and UPC information. This can be altered with a sign off by Continental Product Manager.

Serial Numbers:

Serial numbers are used within Continental to aid in put-away and improve overall accuracy and efficiency of warehouse operations. Serialization is sometimes requested of both internal and external suppliers to the distribution center. Serial numbers must be unique and cannot be used more than once.

SAP serial numbers can be created with a length of 9 characters and support both numeric and alphabetical characters.

Internal suppliers will have a numeric format that will create a 9-digit serial number. Example 123456789.

External suppliers will have an alpha numeric format that will begin with a 3-letter character prefix that denotes their company name followed by numeric characters to compose each unique serial number that will identify inbound product. Example AAA123456.

Pallet Dimensions and Materials.

Pallet to be 40x48 heat treated as supplier shipping guide

Product Packaging Guide: See examples 3, 4 and 5 for details on labeling of boxes

Packaging Method A: Supplier directed and managed. Box size and quantity of parts in the box are at Vendors discretion.

Packaging Method B: Large pallet box single SKU. 48 X 40 X 18.  
Quantity agreed to at start of production must be maintained. Partial  
cannot be sent. I2of5 Label to be placed in two places on outside of box.

Packaging Method C: Medium pallet box single SKU. 40 X 24 X 9.  
Quantity agreed to at start of production must be maintained. Partial  
cannot be sent. I2of5 Label to be placed in two places on outside of box.

Packaging Method D: Low Moving Special Packaging. Parts to be  
bagged in 10 pc bags and will be placed in an overpack box mixed SKU's  
Labels to be placed on the outside of the box for each product inside

Packaging Method E: Medium two pc box. Box dimensions to be 31 (+/-  
1") X 15" (+/-1") X 9.5" (+/- 1/2" max height of 10") Cut out on side of box that  
can be either removed or must be able to be removed without a tool. No  
tape or other medium between upper and lower box (top box must be able  
to be removed from lower without need of a tool) I2of5 Label on outside  
and inside box in two locations

Packaging Method F: Large two pc box. Box dimensions to be 43 (+/-1") X  
15" (+/-1") X 9.5" (+/- 1/2" max height of 10") Cut out on side of box that can  
be either removed or must be able to be removed without a tool. No tape  
or other medium between upper and lower box (top box must be able to be  
removed from lower without need of a tool) I2of5 Label on outside and  
inside box in two locations

Packaging Method G: Small two pc box. Box dimensions to be 22 (+/-1")  
X 15" (+/-1") X 9.5" (+/- 1/2" max height of 10") Cut out on side of box that  
can be either removed or must be able to be removed without a tool. No  
tape or other medium between upper and lower box (top box must be able  
to be removed from lower without need of a tool) I2of5 Label on outside  
and inside box in two locations