

Information for suppliers: Charging extra costs

General

The present information is the base for the charge of extra costs by the Leopold Kostal GmbH & Co. KG (hereinafter Kostal).

Definition

Extra costs are caused by extra expenditures in the quality assurance and logistic department related to guarantee claims and in the case of non guideline conform deliveries of the supplier. For example these costs can result from expenditures for selections, additional tests, tie-downs, adjustment of the delivery documents etc.

The supplier is responsible for these extra expenditures. Kostal charges the supplier with the extra costs.

Structure of extra costs

Extra costs include the necessary expenditures for the removal of the claim, as well as the expenditures for its administration considering proportional overhead costs. The cost structures is specific for each plant in the Kostal-Group. On request of the supplier a detailed cost break down can be provided by Kostal.

In case that the receiving is done by a logistic service provider contracted by Kostal, its labour and administration cost rates will be charged. This applies accordingly to other services provided by other external service providers.

Limitation of extra costs

The following cost rates can be scheduled.

creation of a label	up to	3,00 €/piece
- manual registration of the delivery note	up to	3,00 €/piece
- repackaging process	up to	3,00 €/process
- selection costs	up to	50 €/hour
- testing costs	up to	50 €/hour
- extra tour to the consignment warehouse – Kostal	up to	250 €/tour
- administration charges Kostal	up to	75 €/hour

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In order to limit these costs, service rates are fixed in the case of repetitive operations.

Remedial actions

Kostal informs immediately the supplier about the actual claim by a claim report including the indication on the delivery note. The supplier receives through this report the due date for the defect cure of the claim. Independent of this due date Kostal reserves the right, to remove the claim in person or through a third party in order to avoid line shut downs. The supplier is requested to start immediately with actions to remove the claim. Kostal has to be informed about these actions within 48 hours with a 8D-Report provided by the supplier. In case that these actions do not show an adequate effectiveness, Kostal reserves the right, to carry out further actions in order to limit the warranty costs. These actions are being held up, until the supplier has implemented demonstrable and effective actions on its own. Kostal charges the supplier with all these costs.