Körber Supply Chain

Guideline

Bid Approval Process

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Governance-Owner	Pablo Ros	KSC Governance and Risk

Scope of applicability WW = BA-wide mandatory

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Revision History

Version	Status	Revision-date	Affected chapters	Comments	Modified by
1.0	Released	2025-08-01	All	New BA guideline based on former BU guideline 568 Bid Approval Process	Pablo Ros Johannes Schafbuch
1.1	Released	2026-03-01	2.1 2.3	- Tables with responsibilities for Bid/No-Bid and Budgetary Offers added. - Reference to Salesforce added	Johannes Schafbuch
1.2	Released	2026-05-04	2.10	New sub-chapter “Intercompany Collaboration and Transfer Pricing” added.	Johannes Schafbuch
1.3	Released	2026-08-01	3.4	Added as a new chapter	Johannes Schafbuch

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1 Purpose and Applicability

This Körber Supply Chain Guideline for the Bid Approval Process is the internal Sales Project Review (SPR) procedure throughout the Organization for external customer projects. It sets clear lines of responsibility with respect to the release of all offers to external customers to ensure that uncertainties (e.g. technical, commercial and contractual risks) that could affect the achievement of the company's objectives are understood and it is clear how to deal with them. It must be mandatorily applied worldwide for all offers to KSC external customers, independent of the Bid Value (no "Aufgriffsschwelle" / value threshold given). For the avoidance of doubt: this includes project and product business of all Regions and inherent entities and divisions.

The main goals of the Bid Approval Process are to ensure

- that risks deriving from the complexity of the project are identified and manageable,
- that the solution offered is feasible and available,
- that the cost calculation is realistic, and Non-Conformance Costs (NCC) are kept to a minimum.

2 Guiding Principles

The Bid Approval Process is an entirely vertical process. Business and Local BU-specific Bid Approval Process guidelines are not permitted. However specific work instructions are allowed.

2.1 Bid/No-Bid Decision

MS 10 (Bid/No-Bid Decision) must be performed for any bid subject to the Bid Approval Process. Whenever a Bid/No-Bid Decision has been made, the respective tick box must be ticked in the Salesforce opportunity.

For projects above the thresholds listed below, the MS10 Template must be filled and a formal meeting including at least Sales, Commercial and Technical Experts is mandatory. For projects below this threshold, it is still recommended.

Business Unit	Project type	Project value
KSC Consulting	Consulting	€1.0M
BU Automation	Manufacturing Logistics	€1.5M
	System Integration	€5.0M
	Rebuild (RE)	€1.5M
	Product Solutions (PS) – external customers	€2.5M
KSC Parcel Logistics	All	€5.0M

Main criteria for the Bid/No-Bid Decision are strategic relevance, technical feasibility, availability of resources (for bid and execution) and timeline.

The responsibilities for taking the Bid/No-Bid decision are shown in the table below.

MS10	
Project location in country **with** a Local BU	Project location in country **without** a Local BU
Approval: **Head of Local BU** Consultation: Head of Sales Region Head of Bid Management/Solution Design For A-Projects: Global Head of Sales For Key Accounts: Global Head of Sales / Head of Key Account Mgmt.	Approval: **Head of responsible Local BU as per Market Allocation Guideline** Consultation: Head of Sales Region Head of Bid Management/Solution Design For A-Projects: Global Head of Sales For Key Accounts: Global Head of Sales / Head of Key Account Mgmt.

Further escalation in case of No-Bid decision

For No-Bid decisions on opportunities above the value threshold for Region approval, information with clear justification has to be provided in Salesforce. Region management will regularly receive an automated Salesforce report about these opportunities.

2.2 Binding Bids

All applicable binding bids are subject to the formal Bid Approval Process.

Binding means not only explicitly defined as such, but all cases where we're effectively committed to the customer and can't deviate from the submitted figures.

2.3 Non-Binding Bids

For non-binding bids, Region management shall be informed formless, if the Bid Value is above the volume threshold for Region approvals.

Use of Disclaimer Clause

"This proposal is a budgetary bid for informational purposes only. Under no circumstances shall it establish any obligation or liability on Körbers' behalf, nor shall it be considered to be a firm or binding bid by Körber."

In all cases where the wording of the disclaimer clause is deviating, Legal has to be involved.

Further clarification of the non-binding character of the bid

- Clearly state that the bid is a budgetary bid (as headline of the cover letter and on the front page of the bid).
- Do not use a validity date.
- Do not indicate that the price is a fixed price, but a budgetary price.

Approval of Non-Binding bids

Non-Binding bids are to be approved as per the table below.

Budgetary Submissions	
Project location in country **with** a Local BU	Project location in country **without** a Local BU
Approval: **Head of Sales Region** Exceptions: For A-Projects: **Global Head of Sales** For Key Accounts: **Global Head of Sales / Head of Key Account Mgmt.** To be informed: For A-Projects: Head of Region + Head of Local BU For B & C Projects: Head of Local BU	Approval: **Head of Sales Region** Exceptions: For A-Projects: **Global Head of Sales** For Key Accounts: **Global Head of Sales / Head of Key Account Mgmt.** To be informed: For A-Projects: Head of Region + Head of responsible Local BU as per Market Allocation For B & C Projects: Head of responsible Local BU as per Market Allocation

2.4 Bids including Options

All contractually binding options offered along with the bid are subject to the Bid Approval Process. The entire Bid Value including all binding options must be defined and is relevant for the application of Bid Approval thresholds. If options exclude each other, the maximum possible value including relevant options is to be stated.

2.5 Re-SPR

A Re-SPR is mandatory, if during the negotiation phase:

- new approval criteria are triggered, that have not been approved yet
- already approved criteria (approved via SPR) require a higher approval level
- the approved CM1 bottom line is undercut

For Re-SPRs, the regular Harmonized Bid Approval Template has to be updated and handed in for approval. Before reaching out to the highest approval level, the re-approval request needs to be aligned on all lower approval levels.

If the approved negotiation mandate (via original SPR approval) is exceeded without:

- triggering new approval criteria
- triggering higher approval levels
- undercutting the approved CM1 bottom line

a re-approval is not mandatory. But involvement of the BA Project Risk Manager is needed, who can decide whether a re-approval is needed in exceptional cases.

Re-SPR approvals can be requested and granted via email.

The response of the decision makers via email is sufficient for documentation purposes.

2.6 Change Orders

Change requirements, change orders and additional work under an existing agreement during project execution (after contract award) are not subject to the Bid Approval Process.

2.7 Frame Agreements and Customer Standard Contracts

Frame Agreements and Customer Standard Contracts can go through the Bid Approval Process even without a specific project or offer. In such cases, the SPR serves to approve the contractual terms and conditions only.

If a later offer is based on an already approved Frame Agreement, a separate SPR is still required for that offer. However:

- The legal terms do not need to be reassessed, as they are already covered by the approved Frame Agreement.
- Commercial criteria (e.g., volume, CM1) must still be reviewed and may trigger escalation.

Further details regarding Frame Agreements and Customer Standard Contracts

If a Frame Agreement or Customer Standard Contracts with already approved legal terms and conditions is extended/prolongued, it is not subject to another legal assessment. In this case the legal tab of the Harmonized Bid Approval Template shall not be filled.

For each individual project based on an approved Frame Agreement an SPR needs to be carried out according to valid Bid Approval procedures, escalation and thresholds. This applies also for Terms&Conditions and other content of the Frame Agreement, if the individual project is deviating.

2.8 Systems and Tools used

For all offers to external customers the Harmonized Bid Approval Template needs to be set up. This template needs to be filled to derive the respective approval levels. Business type, Local BU and Value define which tabs need to be completed. The Harmonized Bid Approval Template will request the user to fill certain tabs, and the resulting escalation path must be triggered accordingly. Some tabs might not be applicable after the user provides general info about the order. The Harmonized Bid Approval Template will guide the user accordingly.

Legal risk tab	Commercial risk tab	Revenue recognition risk tab
Order value > 1M EUR and/or liability exposure > 3M EUR	Order value > SPR applicability thresholds for the company/division [2]	Order value > SPR BA approval thresholds for the company/division [2]

The respective Bid Manager is responsible for the completion of the Harmonized Bid Approval Template as early as possible in the bid preparation process to identify escalation levels. The BA Project Risk Manager will perform spot checks if the Harmonized Bid Approval Templates are set up and completed.

It is highly recommended to start filling the Harmonized Bid Approval Template as early as possible during the bid process, as this tool is the only reliable measure to determine the approval levels.

2.9 Risk and Opportunity Management

Already during the sales and bid phase of a project, before MS 20 (Sales Project Review), opportunities, risks and related mitigation measures are being identified, managed and properly documented. Risks and related information shall be recorded in the Risk Register, opportunities and related information are to be recorded in the Opportunity Register. Between MS 30 (Contract award) and MS 40 (Project handover), all information regarding the project opportunities and risks including the risk and opportunity register are to be handed over from the project bid to the execution team, where applicable due to separation of bid and execution team. Opportunities and risks as well as related risk mitigation or implementation plan have to be regularly (at least on a quarterly base) monitored and controlled during the lifetime of a project.
Please note that all risks with a probability higher than 90% have to be considered as costs within calculation (bid and/or project calculation).

Further clarification on cost savings

To ensure accuracy and reliability in our cost calculations, any cost savings included in the final bid submission must have been previously documented and detailed in the Opportunity Register. Specifically, only cost savings that were presented in the Bid Approval documentation during the SPR are eligible for inclusion. Furthermore, the value of these cost savings cannot be increased post-approval. This ensures that all cost savings are thoroughly reviewed and accurately represented, preventing any last-minute adjustments that could lead to higher project costs.

2.10 Intercompany Collaboration and Transfer Pricing

In cases where a bid involves intercompany collaboration within the Körber Group, the applicable Transfer Pricing regulations must be complied with.

Depending on the nature and complexity of the collaboration, different predefined Transfer Pricing models may apply.

For more complex intercompany collaborations, in particular where multiple entities significantly contribute to value creation and/or assume project-specific risks, a Function & Risk Analysis is required.

The results of the Function & Risk Analysis must be attached to the SPR documentation.

Details on the selection of Transfer Pricing models as well as on the execution and documentation of the Function & Risk Analysis are defined in the separate Transfer Pricing Guideline, which is binding in these cases.

Compliance with Transfer Pricing requirements is the responsibility of the Bid Owner in coordination with the involved Körber entities and the relevant governance functions.

2.11 Project handover

The bid phase is finalized after the structured handover of all relevant information to the execution team took place.

Completion of the handover lies in the responsibility of bid manager.

BA Project Risk Manager needs to be informed about Project handover and respective documents need to be sent to him for all projects above the Region threshold.

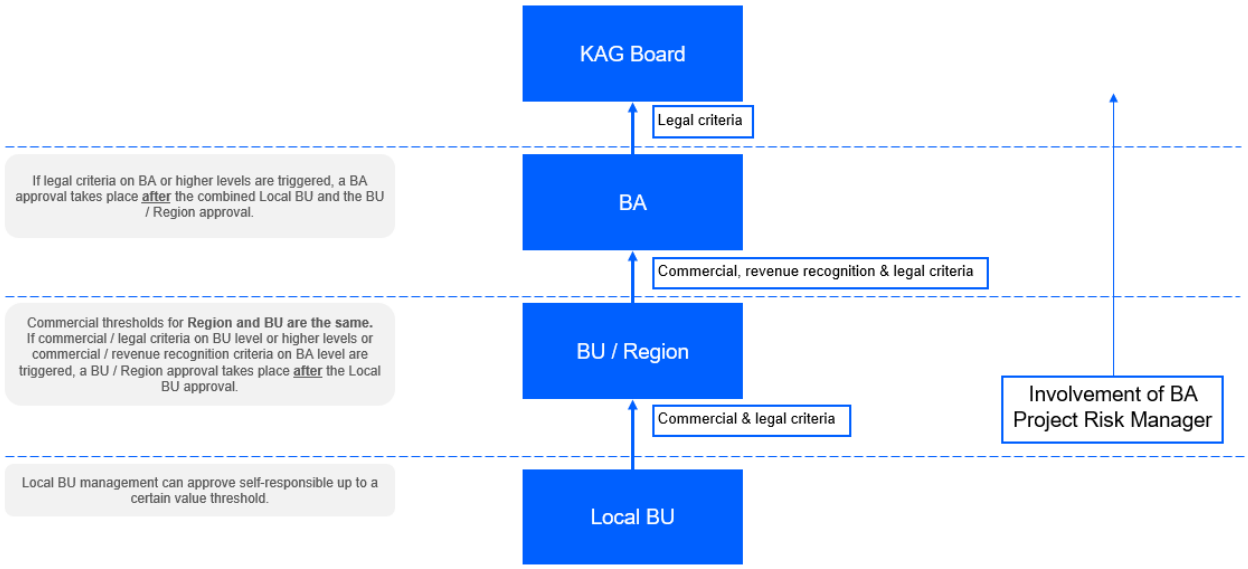
3 Determining the SPR Level

3.1 Approval Level

All bid projects are categorized into one of the below listed approval levels.

The correlation between management level and approval level is shown in the table below.

SPR Level	Management Level
1	KAG Board
2	BA
3	Region
4	Local BU



Approval by BA and KAG Board

The approval request to BA and KAG Board is initiated by BA Project Risk Manager using Harmonized Bid Approval Template.

BA Approval means both CEO and CFO.
Region approval can be granted by CEO only. Nevertheless, CFO will be kept in the loop.

Approval from BA Management is generally to be sought via SPR approval meeting. Participants of those meetings are:

- BA CEO
- BA CFO
- BA Project Risk Manager

- Region CEO
- Others as needed: Region CEO, Local BU CEO, Opportunity Owner, BA Legal,…

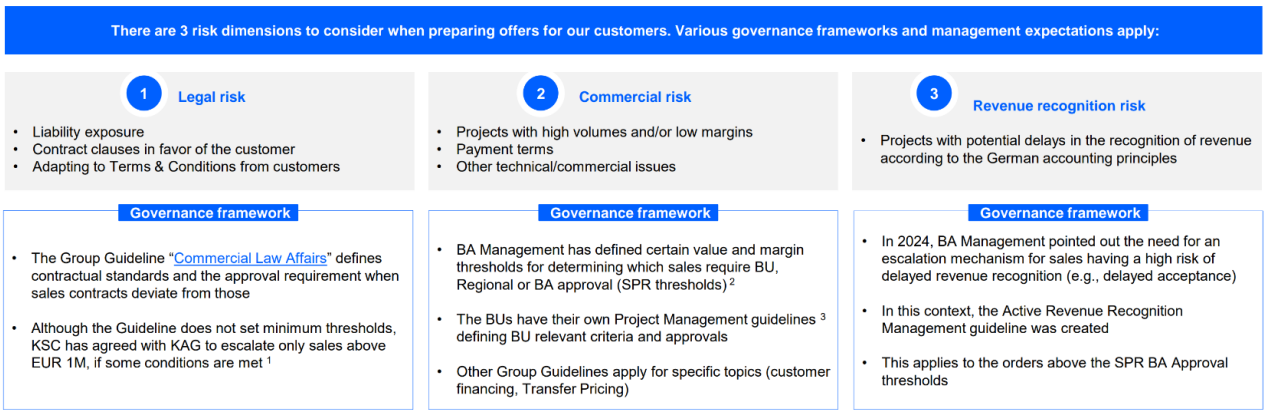
Approval from KAG Board shall be sought in board meetings. In case a Board approval is needed, BA Project Risk Manager needs to be involved as soon as possible.

Document submission to BA and KAG Board will be done by BA Project Risk Manager.

3.2 Approval Criteria

On all levels, including Local BU and Region approval, the approval criteria need to be checked by filling the respective tabs in the Harmonized Bid Approval Template.

To schedule meetings on relevant approval level, it is absolutely necessary that as early as possible during bid preparation phase the highest approval level is identified, ideally already at MS 10 (Bid / No-Bid Decision). The Process Owner needs to be involved early in the bid preparation process for scheduling the respective approval meetings.



Orders related to customers belonging or supplying to the military / defense sector have stricter approval requirements (BA Approval and CM1 > 25%, regardless of order volume and contract terms).

For these orders, the Harmonized Bid Approval Template must always be filled and escalated accordingly.

3.3 Dispensation Agreements

Dispensation Agreements are in place for de-escalation of approval level of a subset of business risks being "standard" in project and product business with a certain customer or within a certain Local BU. These customer specific dispensation agreements can de-escalate approval criteria from KAG Board to BA and from BA to Region level.

They are re-evaluated on an annual basis.

If a project is approved based on de-escalated approval criteria, this needs to be reflected accordingly in the Harmonized Bid Approval Template.

In addition to customer specific dispensation agreements, some general dispensation agreements are in place:

- Orders below 1M EUR do not require KAG Board involvement as long as the following requirements are met:
    - There is a documented risk assessment for projects (e.g., risk register) stating that the project does not entail any specific risk profile (e.g., standard business / product, known customer).
    - The other Region/BA thresholds, including involvement of Legal, are consistently applied.
    - The exposure for damages / liabilities / delays is not higher than EUR 3 million, provided that delay flat rates, contractual penalties and liquidated damages are ≤ 15 % of the project value.
    - Carve-outs from liability (when applicable) only towards IPR and cybersecurity.
- Region management can approve on behalf of BA management the approval requirements coming from the legal risk tab in the Harmonized Bid Approval Template (except liability exposure).
- General dispensation of legal escalation criteria that refer to an already existing (and Körber approved) framework agreement with the customer. The dispensation is granted from BA to Local BU Level and from Region to Local BU Level. This is also valid for customer specific dispensation agreements. The commercial triggers (volume, CM1) continue to apply.

3.4 Technical Criticality and R&D Approval

To ensure adequate oversight of technically critical projects, an additional **R&D Approval** requirement applies irrespective of project value.
A project shall be classified as **technically critical** if at least one of the following criteria is met:

- First-of-its-kind solution
- Usage of products outside their approved specification
- Additional testing is required and the corresponding test results will not be available prior to contract signature

For technically critical projects:

- Approval from the responsible Head of R&D and Head of Product Management is mandatory.
- The Commercial Risk, Legal Risk and Technical Risk sections of the Harmonized Bid Approval Template shall be completed regardless of the project value or other escalation criteria.
- All other applicable escalation criteria and approval requirements remain unchanged and must be applied accordingly.

The purpose of the additional R&D Approval is to ensure that technical feasibility, product maturity, development status and associated technical risks are formally reviewed and accepted by the responsible product and R&D functions before contractual commitment towards the customer.

4 Documentation

For Local BU / Region SPRs, the respective Local BU organization is responsible for setting up the Local BU SPR meeting, for consolidation of the Harmonized Bid Approval Template and for documentation (MoMs). The Harmonized Bid Approval Template shall be sent to the BA Project Risk Manager, if escalation to Region or higher is needed. This can be directly or through a central interface for the respective Region.

For Region, BA and KAG SPRs, the BA Project Risk Manager is responsible for escalation to the respective management level.

In preparation of Region SPR it needs to be ensured that the full set of Bid Approval documents is distributed 24 hours upfront to the Region SPR the latest.

Legal shall be involved as early as possible for all Bid Approvals to identify legal approval levels (especially BA Management and KAG Board) and to enable the Process Owner to plan and organize the respective approvals well in advance. Legal shall provide KAG Liability Overview (for KAG Board and BA approvals) and shall fill the “Legal risks” tab in the Harmonized Bid Approval Template (for all approval levels).

At the highest approval level, the approval needs to be granted at least 2 days prior to bid submission, to ensure sufficient time for implementation of approval conditions or potentially a follow up meeting.

All entities must internally store the documentation described in this Process for at least 5 years. The sales process is an integral part of our organization and will be monitored regularly (including potential reviews from Group Internal Audit).

All documents that are submitted to BA Process Owner are stored centrally and available to the involved personnel from the BA / Regions.