

TRANSPORT AND PACKING REGULATIONS

WUERTH INDUSTRIAL SERVICES MALAYSIA SDN. BHD.

July 2018

Please note:

Delivery hours for Wuerth Industrial Services (WIS) are Monday - Thursday 10:00 - 12:00pm, and 02:00 - 05:00pm. Friday 10:00 - 12:00pm, and 2:30 - 05:00pm. No deliveries will be accepted on official holidays. Waybills are mandatory for all deliveries. Deliveries will not be accepted if attempted outside of receiving hours or if no shipping documents are provided.

1. General

The Transport and Packing Regulations (TPR) that follow are a constituent part of purchasing conditions and contracts made with WIS independently of any delivery arrangements that have been agreed upon. They are mandatory. The supplier is responsible for complying with and carrying out the delivery agreements. Infringement of the TPR shall result in the creation of a defect log that is included in the supplier assessment. WIS reserves the right to pass on to the responsible party all costs that arise from non-compliance with the TPR, as well as any resulting processing fees.

- 1.1. Earlier versions of the Transport and Packing Regulations are herewith rendered invalid.
- 1.2. Deliveries made to WIS must be in accordance with agreed-upon shipping conditions.
- 1.3. Transport costs, if applicable, will be paid by WIS - in accordance with agreed-upon Delivery condition.
- 1.4. These Transport and Packing Regulations become invalid if WIS sets forth other stipulations in individual cases.
- 1.5. We will accept higher transport costs resulting from changes in the shipping type required by these regulations, e.g. air cargo, express rail, express parcel, courier services etc. only if such a shipping type is stipulated by WIS.
- 1.6. Supplier may ensure shipments at their own expense. Insurance costs billed to WIS will not be accepted.
- 1.7. Returns (returned goods) will be sent directly to the supplier. Collections of returns on the premises of WIS are generally not possible. The responsible party has to pay for the transport.
- 1.8. Delivery must be made on undamaged euro (flat) pallets. When transferring goods, these pallets will be exchanged only if they are in flawless condition. Damaged euro pallets will be handled as single-use (disposable) pallets. If the euro pallets are not exchanged at the explicit request of the freight carrier, they will also be viewed as disposable pallets.

It is mandatory that loading equipment such as the supplier's own pallets, rented pallets, railway cage pallets etc. be avoided. Return transports are not possible, with the exception of round trips using WIS transport containers.

2. Shipping and Transport

2.1. Basic Conditions between Supplier, Logistics Service Provider and WIS

- 2.1.1. Transports shipped "with postage due" or "ex works" must be made exclusively through contracted carriers of WIS and their subcontractors.

- 2.1.2. Higher transport costs resulting from using a carrier other than the one specified by WIS shall be paid by the supplier.
- 2.1.3. All shipments must be consigned to the logistics service providers without up-front costs. This applies in particular to direct deliveries from or to WIS branches.
- 2.1.4. Portions of expenses for insurance, packaging, warehousing or acquisition will not be accepted.
- 2.1.5. Costs listed in the goods invoice for prepaid services will be declined and deducted from the amount due.
- 2.1.6. A postage-paid (franked) delivery of shipments will be declined and the freight charged in the invoice will be deducted from the amount due.
- 2.1.7. Shipments of a single shipping day should be combined into a single shipment. If a shipment consists of multiple packages, they should be sorted and sent to the agreed-upon delivery address at the same time.

2.2. Selection of the Right Packages

2.2.1. Package Shipments

The total weight of a package shipment may not exceed 100 kilograms. The maximum weight per package is 30 kilograms. A single package shipment may not contain more than 4 packages. If one of the weight limits is exceeded, the goods or packages must be loaded onto euro pallets (see 2.2.2).

2.2.2. Freight Shipments (Pallet Shipments)

Shipments with a total weight greater than 100 kilograms must always be loaded onto undamaged euro pallets. The packages are to be delivered exclusively to the confirmed logistics service provider. WIS and the service provider will handle invoicing of shipment costs.

2.3. Sending Hazardous Materials and Goods with Expiration Date

It is mandatory that regulations for transporting hazardous materials and limited quantities (LQ) be observed. The supplier is liable for all damages resulting from non-compliance with statutory provisions, in particular based on guidelines of the European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR) that are valid at the time of the transport.

- 2.3.1. Type-approved packaging such as cardboard packaging or canisters should be used exclusively for transporting hazardous materials in accordance with ADR regulations

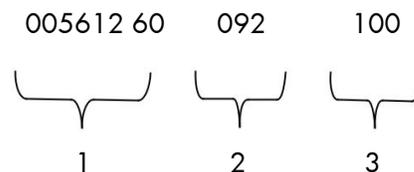
applicable to the respective hazardous materials class.

- 2.3.2. A transport document should be given to the (freight) carrier in accordance with ADR chapter 5.4 (documentation).
- 2.3.3. Stipulated hazard labels should be affixed clearly visible to all packages containing hazardous materials in accordance with ADR chapter 5.2 (labeling).
- 2.3.4. Articles with an expiration date must indicate the manufacturing or expiration date both on the packing slip and on the product itself. In addition, articles with an expiration date must have at least 85 percent of their storage life still remaining upon delivery.
- 2.3.5. Temperature-sensitive goods must be delivered at the appropriate temperature in suitable containers.

3. Packaging and Sorting

3.1. General

- 3.1.1. Packaging for all shipment types must be selected that is adequate, appropriate for the goods being shipped, and safe for transport. Expenses resulting from damages during transport that are not accepted by insurers due to insufficient packaging must be paid by the supplier.
- 3.1.2. Goods must always be shipped with a label indicating Wuerth article number, description and indication of quantity. The content of the individual package must correspond to the information provided on the label.
- 3.1.3. The Wuerth article number consists of the following:



- 1. Product number that refers to the product in the article description
- 2. Packaging type, "cardboard packaging type" or "packaging"
 - e.g. 090 = Supplier packaging
 - 92 = Industrial packing size (relatively large-volume packaging)
 - 094 = Poured bulk goods in small load carrier (SLC)
 - 999 = Stackable bulk goods (see 3.1.5.)
- 3. Packaging unit, fill quantity per package, e.g. 100 items

- 3.1.4. In the purchase order, the packaging unit should be selected that is appropriate for the Wuerth article number.

Exceptions must be coordinated with the WIS purchasing agent in charge.

- 3.1.5. No particular fill quantity per package is stipulated for stackable or poured bulk goods (packaging type 999). However, such goods must always be delivered in packages (e.g. in cardboard boxes). The total weight of a packaging unit may not exceed 30 kilograms. Quantity, Wuerth article number and article description must always be shown directly on the package.
- 3.1.6. Delivery of partial quantities generally must be avoided. If an exception is made, at least one packing unit should be delivered.
- 3.1.7. Deliveries of greater or lesser quantities can be received only in appropriate packing units.

3.2. Packages

- 3.2.1. When individual packages are delivered, it must be clearly recognizable from the outside who the recipient and sender are. If the shipment consists of multiple packages, this must be clearly recognizable. The total number of packages that belong to the one shipment must be noted on each package:

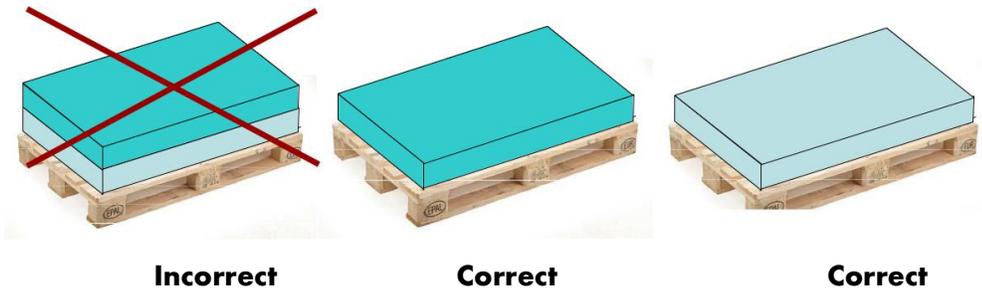


- 3.2.2. If a shipment contains multiple packages, each one must contain its own packing list (see 4.2.). A single packing slip for all packages is not sufficient.

3.3. Pallets

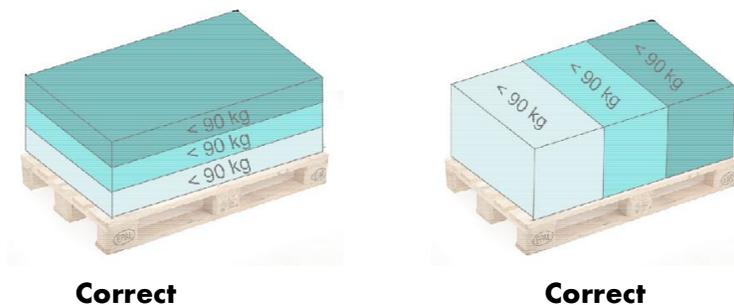
- 3.3.1. All shipments must be delivered on undamaged euro pallets in accordance with DIN EN 13698-1:2004-01 that have the basic size of 1,200 x 800 x 144 millimeters (length x width x height). Other loading equipment is permitted only for delivering overlong goods. For delivering articles with a length of more than 1,500 millimeters, the supplier must select load carriers and packaging that will ensure safe transport of the goods.
- 3.3.2. The maximum loading height including pallet is 75 centimeters. The total weight per package of 1.000 kilograms may not be exceeded.
- 3.3.3. The pallets must be assembled to form a compact, secure transport unit so that WIS will not need to do any repacking. The pallet units must be packed so that they are safe and secure for transport.

3.3.4. Whenever an ordered item exceeds 90 kilograms, the pallets may contain only single orders, articles or batches.



3.3.5. Line items may not be spread in partial quantities across multiple pallets if the entire quantity fits onto a single pallet.

3.3.6. Mixed pallets may be formed if a line item weighs less than 90 kilograms. However, each article or batch then must be labeled clearly and separated physically from the others in order to rule out mix-ups.



3.3.7. Anti-slip layers made of paper or cardboard should be placed between the pallet and the line items as well as between the individual horizontal line item levels (see 3.3.6., picture on left). Cardboard or comparable (anti-slip) material should also be used to separate vertical stacks of line items physically from each other (see 3.3.6., picture on right).

3.3.8 Individual packages on the pallet, if possible, should be placed in a way such that their labels are visible from the outside.

3.3.9. Only articles with the same stock location are permitted on a single mixed pallet. Information about the stock location can be found in the purchase order.

3.3.10. All mixed pallets that are not clearly recognizable as such must be labeled uniformly as "Mixed pallet" or "More than one article" by means of a colored label on top of the pallet or bear a similar marking.

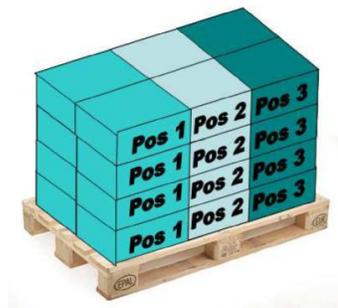
The same applies for pallets carrying a single product type; they should be labeled as "Single product pallet" or "One article."

3.4. Small Load Carriers (SLCs)

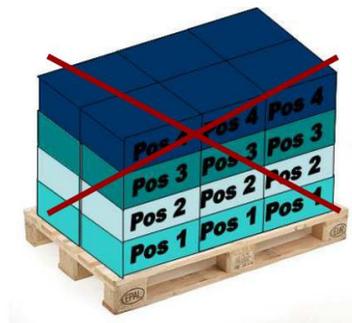
Small quantities packed in a SLC may be delivered only after making arrangements previously with WIS. The information given in 3.4. thus applies only for specific suppliers.

3.4.1. Line items that weigh less than 90 kilograms and fit into a maximum of six SLCs 4315, should be packed and delivered using the SLC. A single SLC may not exceed 15 kilograms. The goods may not be poured into the SLC but must be packed in units based on the purchase order.

3.4.2. All SLCs for a single line item must be delivered on the same euro pallet. All SLC line items must be delivered on mixed pallets. SLCs used for the same ordered line item (same article), however, must be separated physically from other SLCs. Ideally, these SLCs should be stacked vertically. A maximum of four SLCs may be placed on top of each other.



Correct



Incorrect

3.4.3. Each SLC must be labeled with a Wuerth article number, article description and fill quantity. The number of SLCs per line item should also be recognizable.

4. Accompanying documents

The proper freight documents and other accompanying documents should be given to the contracted carrier.

4.1. Waybill

4.1.1. A transport order must be given to the carrier, freight carrier or logistics service provider for every shipment.

4.1.2. The transport order must contain the following details:

- Sender (supplier), address with supplier number
- Wuerth recipient address
- Wuerth purchase order number
- Stock location
- Number of packages in the shipment
- Total weight of the shipment
- Day of consignment and delivery for the shipment

4.2. Packing Slip and Packing List

4.2.1. Every shipment must include the original packing slip. The packing slip must be attached clearly visible by means of a packing slip pouch on the front side of the package. It should never be included with the shipping documents. If a shipment consists of multiple packages, each package must also include its own packing list.

4.2.2. The shipment details on the packing slip and packing list are identical - the only difference is that the packing slip contains information on all line items of the entire shipment and the packing list contains details only for the respective package. Each line item in the packing list should be listed on a separate sheet.

4.2.3. Packing slip and packing list must contain the following details:

- Wuerth purchase order number and ordered line item
- Wuerth article number
- Article description
- Delivery quantity
- Packing slip number and any shipment number
- Stock location
- Pallet number or if possible number of the shipping unit (NSU)
- Weight of line item
- Country of origin of the goods
- Batch number
- Number of packaging units per line item
- Supplier number

and if applicable:

- Number of SLCs per line item if delivery is made in an SLC (see 3.4.)
- Customs tariff number
- Expiration date or date of manufacture
- Hazardous materials class, UN number or packing group

Partial deliveries must be noted as such on the packing slip or on the packing list.

4.2.4. The packing slip number and Wuerth purchase order number must also be printed as "Code 128 barcode" on the packing slip and packing list.

4.3. Origin of Goods with Preferences

4.3.1. All EU suppliers must submit a long-term supplier declaration in accordance with Council Regulation 1207/2001. If this is not possible, WIS expects submission of an individual supplier declaration as well as a label with the country of origin of the goods indicated on the packing slip and on the packing list.

Explanations about labeling countries of origin and the corresponding ISO alpha codes can be accessed on the homepage of the German Federal Statistics Office:

https://www.destatis.de/DE/Methoden/Klassifikationen/Aussenhandel/Laenderverzeichnis.pdf?__blob=publicationFile

- 4.3.2. Further documentation such as certificates of origin must be provided if needed.
- 4.3.3. If a long-term supplier declaration has been submitted in which the supplier guarantees the delivery of goods originating in the EC, this will be indicated and thus declared on the purchase order by the corresponding "E" designation of origin. This may not be applicable for certain line items in individual cases; according to the declaration, the supplier must then indicate on both the order confirmation and packing slip that these article have "No certificate of origin" or are "Third-country goods" or provide an equivalent statement. Abbreviations for the identifiers of origin:

D	=	Third country
E	=	European Community
EFTA	=	European Free Trade Association

- 4.3.4. In case of non-compliance with this regulation, the supplier shall be liable for any damages to WIS and for any additional claims made by customs offices of foreign countries.

4.4. Certificates

It is imperative that a copy of requested certificates be included with the goods shipment even if the original is sent by mail to WIS.