

Transport -, delivery and packing instructions

ERIKS

Germany

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1. Preface

These instructions outline the requirements concerning material deliveries, marking, packaging and transport options. The transport, delivery and packaging regulations are, irrespective of the agreed delivery terms, a binding component of the order or the delivery call-off. The processes are constantly analysed with the suppliers and if necessary amended.

You as the supplier will support us by complying with these instructions, not only concerning environmental protection but also by safeguarding smooth processes and continuous improvement.

You as the supplier are responsible for compliance and implementation of the delivery terms. The incoming goods will be checked concerning the compliance with these regulations and evaluated (IGR). Special arrangements which are being agreed in the course of the business relationship must also be adhered to. In case of doubt these shall have precedence over the transport and packaging terms.

Any necessary deviations will be jointly agreed and shall be made in writing. Any violation of the transport, delivery and packaging regulations will lead to a non-conformance report which will be entered in your supplier evaluation. ERIKS reserves the right to charge the perpetrator with the costs incurred by non-compliance with transport, delivery and packaging regulations, as well as with any the resulting administrative fees.

“ERIKS “, as used in this document, stands for your respective contractual partner in the ERIKS Group. Any older versions of the transport, delivery and packaging regulations are considered invalid herewith.

2. Packaging and sorting

2.1. General

For all shipping methods an appropriate and sufficient packaging is to be chosen, depending on the type of goods and type of transport. Any transport damages where insurers do not accept claims because of insufficient packaging shall be borne by the supplier.

All goods must be delivered in clean condition and, at the time of delivery, still have their full shelf life. Any contamination (e.g. grease, oil, dust, metal shavings, other impurities) which lead to rework or cleaning before any further processing, will not be accepted and will be removed at the expense of the supplier. ERIKS reserves the right to return any damaged, dirty or inadequate goods to the supplier, at the supplier's expense.

Additionally, ERIKS reserves the right to charge the supplier with any costs that arise from improper deliveries.

Goods must always be delivered with the ERIKS article number, description and quantity. The content of the individual package must agree with what the label states.

The packaging unit shall be chosen as specified in ERIKS order. Any deviation has to be agreed with the respective buyer.

For loose or poured bulk goods no particular filling quantity is prescribed per package. However, any loose goods have to be delivered packaged (e.g. in cartons). One packaging unit must not exceed a total weight of 20 kg. The quantity as well as ERIKS article number and article description must be indicated directly on the goods or the package respectively.

The delivery of partial quantities should generally be avoided. Should such a delivery occur exceptionally, at least one packaging unit (PU) should be delivered. Orders that are assigned to a project must never be delivered as partial quantity, unless otherwise agreed.

Over- and under-deliveries can only be accepted if they conform with PU.

2.2. Choosing the right package

2.1.1. Package deliveries

A package delivery must not exceed a total weight of 90 kg. The maximum weight per individual package is 20 kg. A package delivery should not include more than 4 individual packages. If one of the limitations is exceeded, then the goods or packages should be shipped with Euro pallets. After advising collection, the supplier will receive shipping labels from the responsible logistics services provider; these should be stuck on the individual package in a way so that they are clearly visible. The billing of shipping costs takes place between ERIKS and the service provider.

2.1.2. Freight deliveries (pallet shipments)

Consignments with a total weight above 90 kg should be loaded on Euro pallets. The packages must only be handed over to the confirmed logistics service provider. The billing of shipping costs takes place between ERIKS and the service provider.

2.1.2. Shipping of dangerous goods and goods with best-by-date

The rules concerning transport of dangerous goods and of limited quantities (LQ) must be strictly observed. The supplier shall be liable for any damages resulting from non-compliance with the legal provisions, in particular non-compliance with the European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR Accord européen relatif au transport international des marchandises dangereuses par route) valid at the time of transport. For the transport of dangerous goods only such packaging must be used where the design of cardboard or canister has been approved, in line with the provisions for the respective dangerous goods class of the ADR.

Temperature-sensitive goods must have the correct temperature on delivery and be delivered in appropriate containers.

2.3. Marking

It is essential that all statutory marking is complied with, e.g. markings required by ADR (the European Agreement Concerning the International Carriage of Dangerous Goods by Road) and the Ordinance on Hazardous Substances.

Each package must be labelled in a way that allows clear identification of the goods at any time. The label should include at least the ERIKS article number and order number, the manufacturer's article number, the quantities contained in each package and the date code in plain text, and in barcode format 128. Any delivery without such markings can only be made after obtaining special authorization from ERIKS. In particular, it is necessary to ensure that the details on the delivery note are identical with the content of the package. ERIKS reserves the right to charge the supplier with any expenses arising from non-compliance with these guidelines.

2.4. Packaging

Unless otherwise agreed, the supplier is responsible for the type and layout of the packaging and shall bear the resulting costs. The packaging must be designed in a way that the goods contained in the package are protected during storage and transport against damage, corrosion, contamination and harmful environmental influences (e.g. moisture).

In addition, the following criteria should be noted:

- Inside one packaging there must only be parts of one article. If several different articles are delivered in one consignment, these need to be packaged separately.
- Only clean, undamaged packaging must be used.
- With large quantities special attention must be paid to the optimal utilization of the package as well as the optimal utilization of disposable and of returnable packaging.
- The materials used for disposable packaging must be suitable for recycling.

- The structure of the packaging should be designed that no repackaging is required and that, without any additional effort, each package can be immediately identified i.e. the labelling must be clearly visible from outside.
- It is possible that ERIKS might give instructions for different packaging in cases where deliveries are directly or completely forwarded to the end customer. Usually these have to be wrapped neutrally or with ERIKS cartons and adhesive tape.

2.5. Packages

When delivering individual packages, it is essential that the receiver and the sender are clearly recognizable from outside. If a consignment is made up of several packages this should be clearly indicated. The total number of packages in a consignment should be noted on each package.



As soon as a consignment contains several packages, each package needs to include an individual packing list (see item 4.2) A collective delivery note for all packages is not sufficient.

2.6. Pallets/Wire mesh pallets

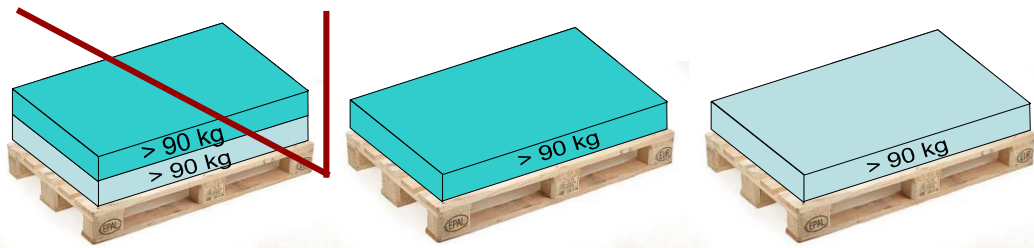
All consignments are to be delivered on undamaged Euro pallets of the standard DIN EN 13698-1:2004-01 with the basic dimensions 1,200 x 800 x 144 mm (length x width x height). Other loading aids are only accepted for the delivery of long goods. For the delivery of articles longer than 1.500 mm, the supplier shall select a load carrier and packaging that safeguards a safe transport of the goods.

Upon handover of goods pallets will only be exchanged if they are in perfect condition. Damaged pallets will be treated as one-way pallets. If Euro pallets should not be exchanged on the explicit request of the carrier, they will also be treated as one-way pallets. Loading aids such as suppliers' own pallets, leased pallets, railway mesh pallets etc. must be avoided. There cannot be any return transport. Excluded are, however, the agreed possible circulation of ERIKS transport containers.

The max. loading height including the pallet is 1300 mm. The total weight per packing unit of 1,000 kg must not be exceeded.

The pallets must be combined without projections to a compact, secured transport unit so that no repacking procedure by ERIKS D are needed. The pallet units must be packaged safe for transport and adequately secured.

When the weight of an order exceeds 90 kg, the composition of pallets has to be on a single order basis, as a homogenous handling unit.



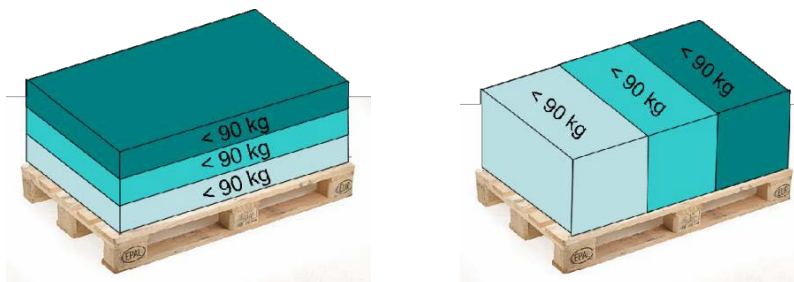
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right

right

Article items must not be distributed as part quantities on several pallets, if they fit in their total quantity on one individual pallet.

If an article item does not reach the weight limit of 90 kg, then a mixed pallet may be created. However, each article or each batch must be marked clearly and placed separately from the others so that there is no possibility of confusion.



right

right

Non-slip layers of cardboard or paper should be placed between the pallet and the articles as well as between the individual horizontal article layers (see also item 3.3.6 left graph). Cardboard or similar (non-slip) material should also be used to separate vertical blocks (see item 3.3.6 right graph).

The individual packages on the pallet should, as far much as possible, be placed in a way that labels can be seen from the outside.

On a mixed pallet only articles with the same storage location are permitted. The storage location can be found on the order form.

Pallets that aren't easily recognizable as mixed pallets must be identified by a coloured label on top of the pallet or a similar mark advising "mixed pallet" or "more than one article". The same applies to unmixed pallets; these have to be labelled as "unmixed pallet" or "one article".

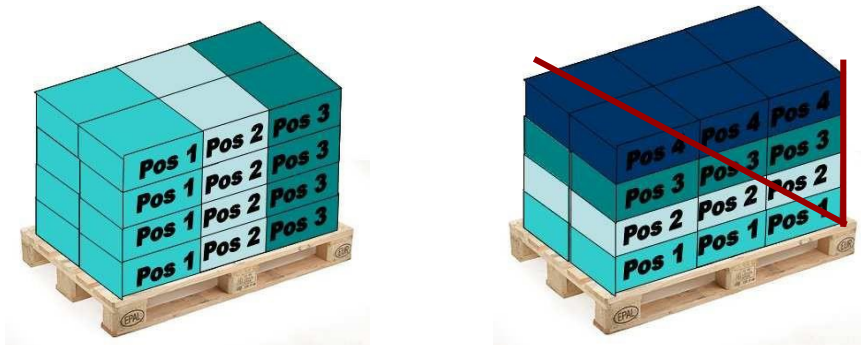
Wire mesh pallets with the basic size 1240 x 835 x 970 have to be packed in a way that allows stacking. The weight here should also not exceed 1.000kg.

2.7. Small load carriers (KLT)

A consignment of small quantities packed in KLT should be agreed in advance with ERIKS D. The instructions of item 3.4. therefore, only apply to certain suppliers.

Items that weigh less than 90 kg and which, by volume, fit into maximally six KLT should be shipped packaged in small load carriers (KLT). The weight of one KLT should not exceed 15 kg. Goods must not be shaken but must be packaged in the unit as instructed in the purchase order.

All KLT belonging to one article position must be delivered on the same Euro pallet. The KLT positions have to be put on a mixed pallet, however, those KLT that belong to the same order position (same article) need to be spatially separated from the others. Ideally the KLT should be stacked vertically with no more than 4 KLT in one stack.



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Each KLT must be labelled with the ERIKS article number, description and filling quantity. Also, the number of KLT per article position should be indicated.

3. Accompanying documents and documentation

3.1. General

The contract carrier, forwarder or logistics service provider must be given proper freight papers and accompanying documents. The delivery documents must contain: the consignment note, the transport order, delivery note in duplicate, packing slip, cleaning certificates and test certificates according to the agreed specifications.

All shipping documents need to contain and, as far as goods are packaged, on the outer wrapping the following details need to be indicated: the order number, the suppliers number, our article number, gross and net weights, number of packaging units, the type of packaging (one way- or returnable) the shipping date or availability date and the destination (unloading point) and, as far as known, the consignee.

In order to ensure smooth operations in our company it is essential that all documentation is correct and complete and deliveries are timely, thereby avoiding additional costs and supporting fast payment procedures.

Goods must comply with the specific functions and data documented on the data sheet valid at the time the order was placed.

When transporting dangerous goods, the forwarding agent or carrier must be given transport documents as defined in the provision 5.2 of the ADR. All packaging unit containing dangerous goods need to carry danger labels which are clearly visible, in accordance with chapter 5.2. of the ADR (marking and labelling)

Any articles with limited shelf-life need to carry the date of manufacture and the best-before-date (BBD).

3.2. Transport orders

For the following details you should refer to the transport order:

- Sender (supplier), address and supplier number
- ERIKS receiving address
- ERIKS order number
- Number of parcel items of the consignment
- Total weight of consignment
- Hand-over day or day of dispatch of the consignment

3.3. Delivery note and packing list

With each consignment the original delivery note must be included. The delivery note must be attached to the face side of the packing unit in a well visible position. The delivery note must not be included with the transport papers. If a consignment is made up of several packing units each package needs to carry an individual packing list.

The shipping details of delivery notes and packings lists are identical – with the exception that delivery notes need to carry the information of all article positions of the complete consignment while on the packing list only those details need to be printed that relate to the respective packaging unit. On the packing list each article position should be given on a separate sheet.

Delivery notes and packing lists need to contain the following details:

- ERIKS order number and order position
- ERIKS article number
- Article description
- Delivery quantity
- Delivery note number and possibly consignment number.
- Pallet number or if possible number of serial shipping container code (SSCC)
- Country of origin of goods
- Batch number
- Number of packaging units per position
- Supplier number if relevant
- Number of small load carriers (KLT) per position where delivery is made by KLT (see item 3.4.)
- Customs tariff number
- Best-before-date
- Date of manufacture
- Dangerous goods class, UN number or packing group

Part deliveries must be indicated on the delivery note or on the packing list.

The delivery note number as well as the ERIKS order number must also be printed as “code 128 barcode” on the delivery note and the packing list.

3.4. Origin of goods with preferences

All EU suppliers are generally obliged to provide a long-term supplier’s declaration which complies with regulations EEC No. 2447/2015. Where this is not possible ERIKS expects that an individual supplier’s declaration be provided as well as marking of the respective country of origin of the goods, on the delivery note and the packing list.

For explanations regarding the labelling of the country of origin and the respective ISO-Alpha codes please refer to the homepage of the German Federal Statistical office:

<https://www.destatis.de/DE/Methoden/Klassifikationen/Aussenhandel/Laenderverzeichnis.pdf>

Additional supporting documents such as, e.g., certificates of origin must be provided if needed.

Where the supplier is required to provide a long-term suppliers declaration as proof that the consignment is made up of EC originating products and where this is provided, the delivery note and the packing list need to show the respective mark "E" of the country of origin.

If this should not apply for certain article positions in individual cases the supplier is, according to the declaration, obliged to identify this article on the order confirmation as well as on the packing list with the mark "no certificate of origin", "third-country goods" or with an equivalent addition.

Abbreviations for the identifiers of origin are:

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

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

A copy of the requested certificates must be included with the consignment, even if the original is being sent to ERIKS by post.

4. Shipping and transport

4.1. General

Unless otherwise agreed the delivery of goods is to be made "DAP stipulated place of delivery", in accordance with Incoterms 2010. Agreed dates and deadlines shall be binding. Relevant for compliance with the delivery date or the delivery deadline is the receipt of the goods at our company. Where in exceptional cases no "DAP stipulated place of delivery" has been agreed, the supplier must make the goods available for loading and dispatch in due time, subject to the transport time agreed with the carrier.

If the conditions are "freight unpaid" or "ex works", transport must be carried out exclusively by ERIKS contractual forwarding agents as well as their subcontractors. Any higher transport costs arising from transport through logistic services providers not stipulated by ERIKS shall be charged to the supplier.

Additional costs arising from over – or short deliveries as well as from incorrect deliveries shall be borne by the supplier. Excess quantities will generally not be accepted and ERIKS reserves the right to return these to the suppliers at their expense.

Should there be any delivery or transport problems, ERIKS must be informed immediately and unsolicited. If the delay is caused by the supplier, the supplier shall take all necessary steps, at his expense, to make sure that the shipment still arrives at the stipulated date. Should a timely delivery still not be possible, the supplier shall immediately advise the new delivery dates.

Transport costs will only be paid by ERIKS in accordance with the stipulated shipping condition. Higher transport costs arising from deviations from the instructed mode of transport e.g. air freight, rail express, express parcel, courier services etc. will only be recognized where such mode of shipping has been expressly stipulated by ERIKS.

It is at the supplier's discretion to insure goods at his own expense. Insurance costs charged to ERIKS will not be recognized unless these were explicitly agreed beforehand.

All shipments shall be handed over to the logistics services provider without any initial costs. This applies in particular to direct shipments from or to subsidiaries of ERIKS and their end customers

Insurance- and packaging shares as well as storage and acquisition costs won't be recognized.

Prepaid services will be rejected, taking into account the costs in the invoice of the goods, and the costs deducted.

A prepaid handover of a consignment will be refused and the stated freight charge will be offset, taking into account the freight on the invoice of the goods.

Shipments on one dispatch day shall be combined to one consignment. If one consignment is made up of several packing units, these are to be handed over at the same time at the agreed delivery address.

Returned goods (returns) are always shipped "free domicile" to the supplier. Collections of returns on company premises of ERIKS companies should generally be avoided.

4.2. Choosing the logistics services provider

Depending on the supplier's, the type of package and the number of packages different logistics services providers are responsible for the transport to ERIKS:

| Type of packing unit | Number of packages and weight limit | Location of sender | Responsible logistics service provider |
|----------------------|-------------------------------------|---|--|
| Package | <= 4 Packages | Europe | UPS |
| Pallet | < 6 pallets or < 3.000 Kg | Germany | Schenker GmbH |
| Pallet | Not relevant | France | Schenker GmbH |
| Pallet | Not relevant | Italy | Schenker GmbH |
| Pallet | Not relevant | Europe (except of Germany, France, Italy) | Schenker GmbH |
| Pallet | > 6 Pallets or > 3.000 Kg | Germany | By ERIKS D individually assigned logistics service providers |

Any deviation and specific cases are to be agreed beforehand with the respective contact person at ERIKS.

Special and express transports need to be coordinated in advance with the respective buyer at ERIKS. Without their written permission no extra journey may be made at ERIKS expense – extra trips are principally to be advised in written form. Costs of extra trips will be distributed on a cost-by-cause principle.

4.3. Delivery address

The exact delivery address is indicated individually on the order. Additional, different delivery addresses such as e.g. locations of ERIKS or their end customers can be agreed. Concerning exact delivery and invoicing addresses, the information on orders must be observed.

4.3.1. Special deliveries

Necessary special deliveries need to be agreed between the concerned parties, the costs arising from such trips have to be borne by the supplier. Special trips caused by ERIKS shall be at the expense of ERIKS.

4.3.2. Notice of readiness for shipment/ Notification

It is mandatory to address the notification of readiness for shipment for "ex works deliveries" to the ordering party, be that for freight or parcel deliveries.

Notification of collection of goods is to be made directly to the logistics service provider.

With notification of readiness for collection the following complete data must be provided:

- Order number (8 digits)
- Weight of consignment
- Type of packing units (loading aids)
- Number of packing units (including dimensions)
- Type of service: Parcel or freight
- Different loading points (to be clarified in advance)
- Name, telephone number and email address of contact

The delivery dates indicated with orders or call-off orders are always the arrival dates at the stipulated destination at the incoming goods department.

5. Goods receiving times

Goods receiving times at the ERIKS Group (ERIKS D) are from Monday to Thursday from 8.00 a.m. until 9.00 a.m., from 9.15 a.m. until 11.30 a.m. as well as from 12.15 p.m. until 4 p.m. On Fridays from 08.00 until 9.00 a.m., from 9.15 a.m. until 11.30 a.m. and 12.15 p.m. until 1.00 p.m.

Goods are not received on public holidays. For the acceptance of goods, a consignment note is mandatory. Deliveries outside of the stated goods receiving times and missing freight papers will lead to rejection of consignments.

Several consignments on one shipping day should be combined to one report or one shipment.

6. Concluding note

Should you have any further questions concerning the transport, delivery and packaging please get in touch with your contact person at ERIKS.