

General PACKAGING AND SHIPPING INSTRUCTIONS for suppliers to NEOPERL GmbH

1. Purpose of the General PACKAGING AND SHIPPING INSTRUCTIONS

The purpose of the packaging and shipping instructions is to inform suppliers about our requirements and their responsibilities. It is designed to be a simple, easily understood, practical guide to allow a smooth flow of materials between suppliers and NEOPERL GmbH.

Not following the specifications in these General PACKAGING AND SHIPPING INSTRUCTIONS has a negative effect on supplier evaluations and may lead to sanctions. Furthermore, any additional costs resulting from non-compliance will be passed directly on to suppliers.

Any deviations from these PACKAGING AND SHIPPING INSTRUCTIONS must be explicitly arranged for by the supplier with NEOPERL. NEOPERL also reserves the right to arrange article-specific packaging rules with the supplier.

2. Delivery address

Please make note of the instructions in our orders regarding delivery address and invoice address.

3. Goods receiving hours

Monday through Thursday: 7:30 a.m. - 12:30 p.m., 1:00 - 3:30 p.m.

Friday: 7:30 a.m. - 12:30 p.m.

4. Packaging instructions

4.1. General requirements for packaging

- The packaging selected must be consistent with the requirements of the packaged item(s) (§§ 407 et seq. of HGB/German Commercial Code). It must be able to withstand the stresses of the planned mode of transport. This means that the transport route and means of carriage as well as conditions that may affect them such as weather and handling during transshipment must be taken into consideration. Please consider:
 - The type and condition of the planned route
 - Anticipated impacts on the goods during transit
 - Climatic conditions
 - Potential contamination
 - Sufficient protection for the packaging during stowage, transshipment and other movement of the goods
- The sender is liable for all damage and expenses caused by packaging which does not comply with the above requirements.

To ensure that parts are delivered in accordance with our quality standards, the following minimum specifications must be met:

- The parts must be free from any contamination.
- Plastic parts must be put in a PE bags and may not be loosely placed in a cardboard box for packaging. We reserve the right to demand perforated PE bags as the case may be (CH20 gas release).
- The packaging must protect the parts against mechanical damage and corrosion.
- Tape should be used to close cardboard boxes if possible instead of metal staples due to the increased risk of injury associated with staples.
- The shipment packaging must provide sufficient protection to the packages and transport units during transport and transshipment. In particular, the following points must be complied with:
 - Specified pallet dimensions and design (see Section 4.6.1)
 - Permissible maximum weight (max. gross weight of a loading unit = 900 kg)
 - All pool packaging used (Euro pallets and Euro wire boxes) must conform to the guidelines of the European Pallet Pool. An illustrated explanation of the exchange criteria is included in the appendix (see sections 8.1 and 8.2).

4.2. Requirements for avoiding packaging waste

Loading equipment and packaging should be designed to ensure sufficient transport protection with a minimum amount of packaging.

4.3. Permissible packaging materials

All packaging materials used must conform to the current legal requirements in Germany and the EU; in particular, the currently valid statutory limits for heavy metal content may not be exceeded.

If NEOPERL GmbH specifies in its contract that the goods to be packaged are destined for non-EU countries, the legal requirements of the destination countries must also be complied with.

The following must also be observed: The packaging must be fundamentally recyclable.

The materials used must be labelled in accordance with DIN 6120-1 (symbol plus abbreviation).

The labelling must not compromise the ability to recycle the packaging.

- Composite materials:
Composite materials are generally not permissible.
- Plastics:
The only plastics allowed are PE (polyethylene), PP (polypropylene) and PET (polyethylene terephthalate). Please use as little material as possible to facilitate recycling. The use of PVC (polyvinyl chloride) is fundamentally not permissible.
- Shrink and stretch film:
Must be made of PE (polyethylene).
- Bags and sacks made of plastic film:
May be made of PE (polyethylene) only.

- Paper and cardboard:
Paper and cardboard must be free of substances noxious to the paper production process.
- Wood:
It is mandatory that all wood packaging being transported from overseas (i.e. crossing sea borders) comply with the IPPC (International Plant Protection Convention) standard. The materials used must be in an untreated state (no paint, no coating, no waterproofing).

Wood packaging for shipment overseas must comply with the requirements of the country of destination.

- Plywood (particle board, fibreboard):
Plywood may be used as long as it complies with the requirements in these packaging instructions.
- Styrofoam:
Styrofoam is permissible for moulded parts only. Styrofoam peanuts are prohibited.
- Filling materials:
Only corrugated board, paper or bubble wrap may be used as fill materials.
- Straps:
Only plastic straps made of PP (polypropylene) or PET (polyethylene terephthalate) may be used as straps. Metal bands as straps are prohibited.

4.4. Packaging weights and dimensions

The following maximum permissible gross weights must be observed, independent of packaging type:

- Individual packages moved by hand: max. 15 kg
- Loading units/pallets: max. 900 kg

Dimensions:

- Maximum footprint 80 x 120 cm (Euro pallet)
- All cardboard box footprints must be compatible with the Euro pallet dimensions. The following cardboard box footprint dimensions are permissible:
 - 80 x 120 cm
 - 80 x 60 cm
 - 60 x 40 cm
 - 30 x 40 cm
 - 20 x 30 cm
- Cardboard box dimensions should be such that the box is completely full without exceeding the maximum box weight.
- If the article is usually packaged in NEOPERL small load carriers, the cardboard box should be designed so that the quantity of contents matches that of the NEOPERL small load carrier.
- Pallet height \leq 120 cm

4.5. Small load carriers

If products are packaged in small load carriers provided by NEOPERL, the following is applicable:

- NEOPERL GmbH must be informed of the number of containers needed 1 week in advance.
- The small load carriers provided by NEOPERL may not be used by the supplier for its warehousing. The maximum amount of time between package filling at the supplier and goods receiving at NEOPERL is 3 calendar weeks. If the supplier plans to take longer to deliver, the goods must be stored in the supplier's own load carriers.
- Plastic parts must be packed in a PE bags. Delivery of parts loosely in boxes is not permitted. We reserve the right to demand perforated PE bags as the case may be (CH20 gas release).
- Fill level: The containers may only be filled so high that the bottom of the next higher container does not touch the goods below it.
- The maximum weight per load unit is likewise 15 kg.
- Please do not stick labels directly onto the containers; use the dedicated label holders instead.

4.6. Loading equipment

All loading equipment used for shipping to NEOPERL must be in a flawless, undamaged (i.e. exchangeable) condition. Exchange criteria for wire boxes and Euro pallets are listed in Appendices 8.1 and 8.2.

4.6.1. Types of loading equipment

Deliveries must be made exclusively on the following loading equipment:

- Euro pallets (DIN 15146), dimensions (LxWxH): 1200x800x144 [mm]
- Euro wire boxes, dimensions (LxWxH): 1240x835x970 [mm]
- Disposable pallets, dimensions (LxWxH): 1200x800x144 [mm]
(Loading capacity: 1,000 kg; design analogous to Euro pallets)

The dimensions of the loading equipment (1200mm x 800 mm) may not be exceeded. Using loading equipment or packaging which exceeds the dimensions above requires the express advance permission of NEOPERL.

4.7. Requirements for shipping packaging

The following rules are designed to ensure smooth, efficient material flows between the supplier and NEOPERL. They involve in particular the optimum design of shipping packaging, standardised dimensions and co-ordinated quantities of contents in the loading units. The following requirements must be met regardless of what type of packaging is used:

- Damage-free delivery of goods
- Formation of optimum loading units
- Transport securing
- Stackability
- Compliance with specified standard dimensions
- Structure suitable for handling
- Recyclable materials
- Labelling of packaging materials used

The purpose of these rules is to allow unproblematic unloading and transport of loading units using industrial trucks on to automatic conveyance and storage equipment.

Contour checks are also carried out in our automated material flow system, which means that all objects, pieces of paper, bands, covers, etc. that protrude beyond the outer contours of the loading units should be avoided. The contents and size of the agreed upon packaging units must always be the same for each part number.

4.7.1. Specific requirements for shipping packaging

- Loading equipment and packaging must be designed to ensure sufficient transport protection with a minimum amount of packaging.
- The loading units must be able to withstand stacking without deforming or otherwise being damaged. The stability of the cardboard boxes may need to be increased by using corner inserts.
- If the goods may not be stacked, they must have a printed label to this effect.
This information must be easily visible and permanently attached to each affected package.

4.7.2. Design of shipping packaging

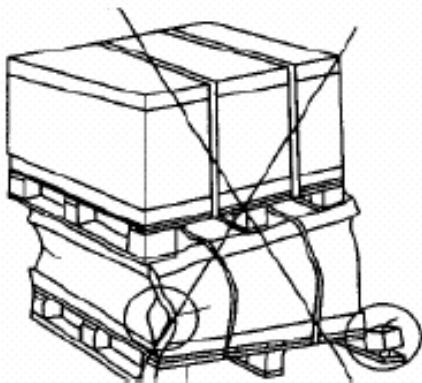
- Individual packaging of articles should generally be avoided if the transport packaging provides sufficient protection for them.
- If an article consists of several parts, they must be packaged together into a single unit (set packaging).
- Combine sufficient delivery volumes into single-product loading units.
- "Individual articles should be packaged together as a bundle, observing the rule "heavy before light". This means that heavy items should be located towards the bottom of the pallets, followed by lighter items on top.
- In case of mixed goods on a pallet:
 - Position articles consisting of only one or few packages on top
 - Place items with the same article number on top instead of next to each other
- Sample articles are to be delivered separately, and the recipient must be clearly identifiable.

4.7.3. Structure of a loading unit

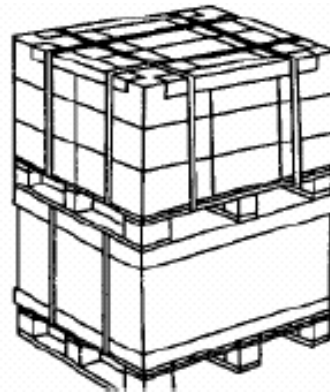
If a loading unit consists of smaller packaging units combined together, they must comply with the dimensions specified in section 4.6.1. The stackability of the loading unit must be maintained.

Individual packaging units are to be secured so that they cannot shift when loading units are formed. If it is not possible to form a complete loading unit with the quantity delivered, the excess space must be filled with approved filling materials.

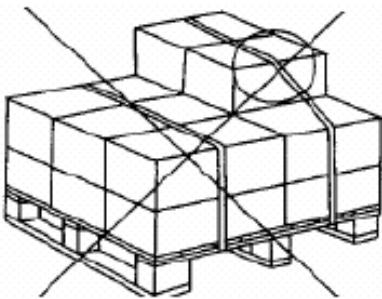
Stackability of loading units:



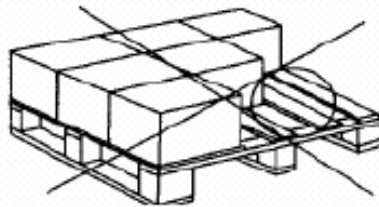
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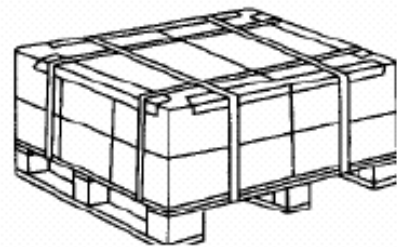
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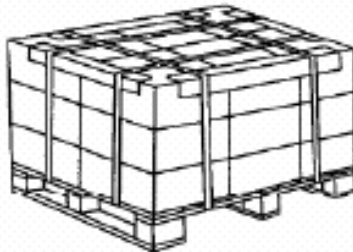
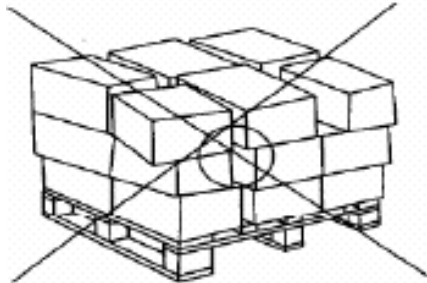
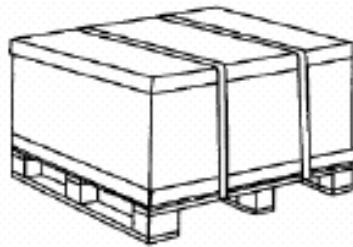
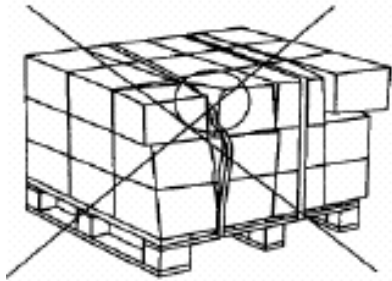
4.7.4. Securing loads on a loading unit

Loads on a loading unit (pallet) must be secured with at minimum:

- A pallet sealing cover (hooded cover) or shrink film cover
- Stretch film
- Plastic strapping (double or quad) with edge protectors.

The footprint dimensions of the loading units (1200 x 800 mm) must not be exceeded by packages and loading units. Loading units must be secured so that they cannot shift during transport.

It is not permissible for strapping to cut into cardboard boxes; avoid this by using edge protectors. When removing sub-quantities of a loading unit, make sure the remaining quantities are stable.



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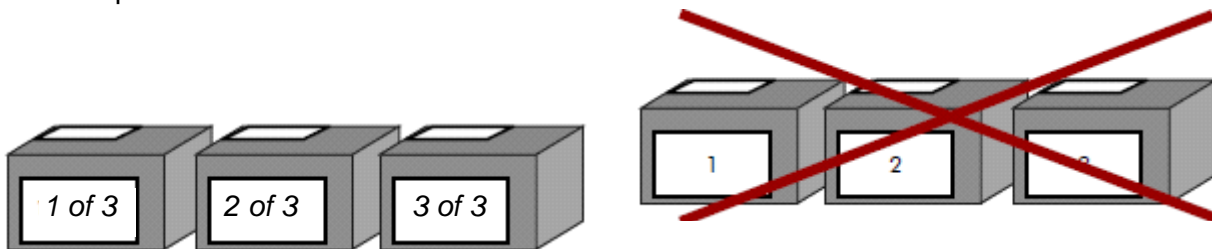
5. Modes of shipment

Shipments to our company are subject to policies below. You will be invoiced for any additional costs incurred due to not following these rules.

5.1. Delivery of packages

When individual packages are delivered, it must be clear from the outside who the sender and recipient are. If the shipment consists of several packages, this must also be externally apparent.

For example



Right

Wrong

These measures help both you and us to avoid confusion, errors, etc. and to ensure your and our workflows. If a shipment consists of multiple packages, the package containing the dispatch note must be clearly labelled.

If a shipment consists of multiple packages, each package should be labelled with the overall number of packages.

5.2. Freight forwarding (consignments)

Consignments above 100 kg must be delivered on undamaged Euro pallets suitable for high bay warehouse storage.

6. Accompanying documents

The freight forwarder must be issued proper waybills and accompanying documents.

6.1 Waybill

Every shipment given to the freight forwarder should be accompanied by a waybill.

The waybill must include the following shipment details:

- Sender (supplier) address including supplier number
- Receiving address of NEOPERL GmbH
- Order number of NEOPERL GmbH
- Number of packages in the shipment
- Total weight of the shipment
- Date the package was given to forwarder or shipped

6.2 Dispatch note

Every shipment must contain an original dispatch note. The dispatch note should be attached clearly to the front of the package using a document pouch. Under no circumstance may dispatch notes be included with the freight forwarding documents. If a shipment consists of several packages or pallets, every load carrier including contents must be listed on a separate packing list (see section 6.3).

The dispatch note must include the following order details:

- Order number of NEOPERL GmbH
- Supplier number
- NEOPERL article number and volume
- Batch number if the article is subject to batch handling
- If applicable: Tool number
- If applicable: Cavity number
- Partial deliveries must be noted on the dispatch note

6.3 Packing list

If a delivery consists of several packages or pallets, a packing list must be included with the following information:

- Package or pallet number
- NEOPERL article number
- Number of articles
- Number and contents of individual packages

This information must likewise be apparent from the labels on the individual packages. The contents of individual packages must correspond to the labels.

7. Requirements for container labelling

Every container must be clearly identified with a label containing the following minimum information:

- Article number of NEOPERL GmbH
- Article number also as Code 39 barcode
- Name of the article
- Batch number if the article is subject to batch handling
- If applicable: Tool number
- If applicable: Cavity number
- Production date
- Number of article in the container
- Gross and net weight of container

The label should be affixed to the package so as to be readable from the narrow end of the pallet.

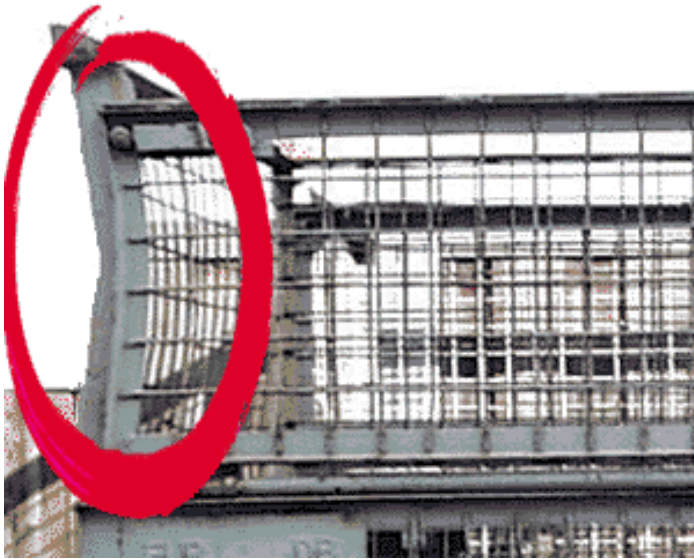
8. APPENDICES

8.1. Exchange criteria for wire boxes

Non-exchangeable wire boxes:

Wire boxes are not exchangeable if they have one or more of the following types of defect.

- The stacking frame or corner uprights are deformed:



- The hinged front panels can no longer be opened or closed:



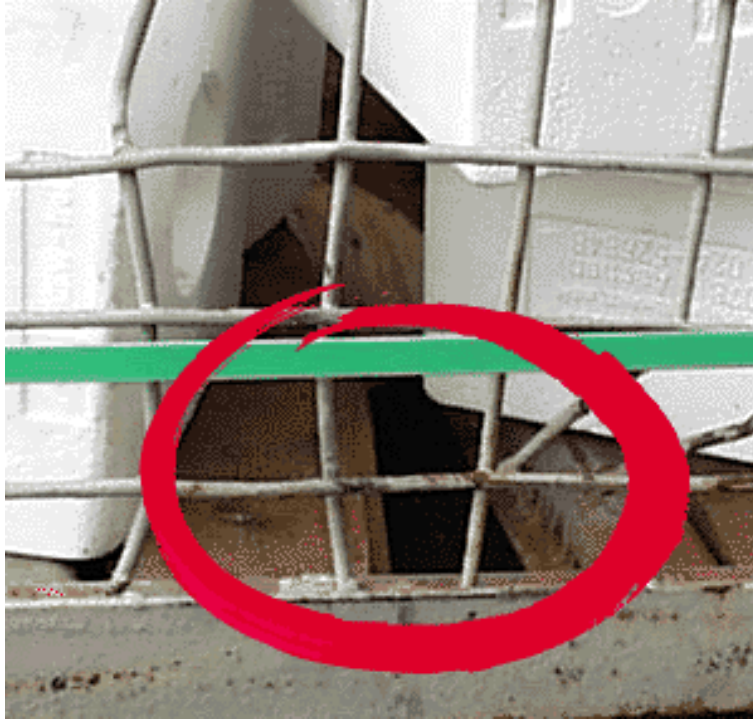
- The floor frame or feet are so bent that the wire box no longer stands firmly on four feet or can no longer be stacked safely:



- The lattice is so torn that the wire ends protrude inside or outside (one wire per wall is allowed to be missing):



- A board is missing or broken:



- The essential pallet identification markings and/or the EUR symbol (in an oval) are missing or illegible:



- Due to rust or dirt, the general condition is so bad that freight may be contaminated:



Inscription plate on wire boxes

Euro wire boxes are manufactured in compliance with the UIC-code 435-3. Before a Euro wire box can be exchanged, the inscription plate must have the following features:



8.2. Exchange criteria for Euro pallets

Non-exchangeable Euro pallets:

Euro pallets are not exchangeable if they have one or more of the following types of defect.

- A single upper or lower leading board is damaged so that more than one nail or screw shank is revealed:



- The EUR mark on the right and the railway symbol on the left are missing:



- A board is missing:



- A block is missing or split to the point where more than one nail shank is visible:



- A board is broken across its width or diagonally:



- More than two upper or lower edge boards are damaged and reveal more than one nail or screw shank:



Other characteristics (poor overall condition):

- The loading capacity can no longer be guaranteed (rotten, strong splintering).
- Contamination is such that products may be soiled.
- Large splinters are coming away from a number of blocks.
- There is evidence that inadmissible construction elements have been used (e.g. blocks that are too thin or too narrow).