

Global Purchasing Delivery Standards

Delivery requirements for suppliers

Company: BELIMO Automation AG

Item: Packaging and Labeling Policy
Global purchasing delivery standards

Responsible	Belimo Procurement and Customizing & Distribution
Changes	Changes have to be discussed with the Head of Global Sourcing and Head of Customizing & Distribution

Purpose and Scope

The following Delivery Policy forms the basis for terms and conditions and is considered a complementary contractual agreement to the general terms and conditions of purchase. Its target is to ensure a smooth flow of material between Belimo and its suppliers.

The supplier is responsible to ensure internally as well as externally that all delivered parts are correctly and appropriately protected, and labeled and packed in such a way that on the one hand they reach their destination in proper condition and on the other hand to make sure that a smooth flow of material will be possible at Belimo.

The supplier must comply with the regulations of the Delivery Policy and adhere to national and international provisions.

In those cases where an accompanying document or another arrangement otherwise agreed in writing specifies how a product must be packed, labeled and marked such specification has a higher priority than this policy.

Change History

Version	What changed	Date
0.1	-	March 15, 2012
0.2	New layout	March 4, 2013
0.3	Enhanced quality requirements for packaging	August 6, 2013
0.4	Specification of the pallet requirements	January 7, 2014
1.0	Final revision	February 24, 2014

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1 Shipping Documents

Basic information for the shipping documents

- The delivery note / packing slip must always be attached on the outside of the shipping containers so it's readily available

Minimum requirements for the shipping documents

All shipping documents must be in English or German only (English is mandatory for deliveries in the USA).

- The **delivery note** and the **commercial invoice** must contain the following information:
 - Vendor address
 - Belimo receiving address
 - Belimo Purchase order number
 - sea or air freight labeling (only for international transports)
 - Belimo item number, item text, quantity delivered, revision status per item
 - number of packages forming the shipment
 - weight of the shipping units
 - dimensions of the shipping units
 - in case of partial deliveries an appropriate indication must be made on delivery note and invoice
- Additionally the **commercial invoice** must contain the following details:
 - total value of the shipment
 - unit price per item
 - customs tariff number (HTS Code) or US Import Code
 - abbreviation of the country of origin per item (if applicable)
 - declaration of origin (according Attachment Chapter IV)

Supporting documents / Suppliers' declarations of origin

- if requested in the order additional supporting documents (e.g. UL specification, factory certification, inspection control, etc.) must be enclosed in the delivery note for each shipment

Delivery Address

- the delivery address on the Belimo order must be adhered to
- costs incurred through non-confirmity will be charged to the supplier's account

2 Quality Requirements for Packaging

When determining the packaging, both in case of a multi-cycle as well as a one-way concept, must be observed that the goods are loaded on the loading equipment without overlapping and that they are protected in a compact, secured shipping unit against negative impacts such as e.g. damage, contamination and environmental influences. Possible corrosion must be ruled out by the packaging and electrostatic charge must be prevented. Besides, it must be possible to store and stack shipping units, totes and product packaging and transport them on conveyor belts.

Since the causes for shipment damages are often to be found in insufficient labeling (lettering) and bad packaging the packaging must always be tailored to the vulnerability of the product, exposure during transportation and to the distribution channel.

Any single package can not exceed 20 kg (45 lbs.). Shipping units, which contains several packages, have to be delivered on loading equipment (e.g. pallet) which can be driven underneath, when the weight is more than 31.5 kg (70 lbs.)

Belimo differentiates between the following types of packaging:

1. Material packaging / Product packaging (smallest packing unit which can also contain several products)
2. Tote packing / multi packaging (contains several product packagings)
3. Transport packaging



Packaging Policy summary

- appropriate transport packing and product packaging
- solid fixing of the goods on the loading equipment by means of a firm fastener
- appropriate labeling / lettering in accordance with Belimo requirements
- packaging optimization on distribution channel, of exposure during transportation and vulnerability of the product by means of adequate padding
- protection against corrosion
- prevention of electrostatic charge
- use of recyclable materials
- products must always be delivered in the same product and bin packaging
- products must always be delivered on the same loading equipment. The height of the shipping unit may not exceed a defined maximum height per item
- the amount of nonreturnable packages / loading equipment must be minimized

2.1 Loading Equipment

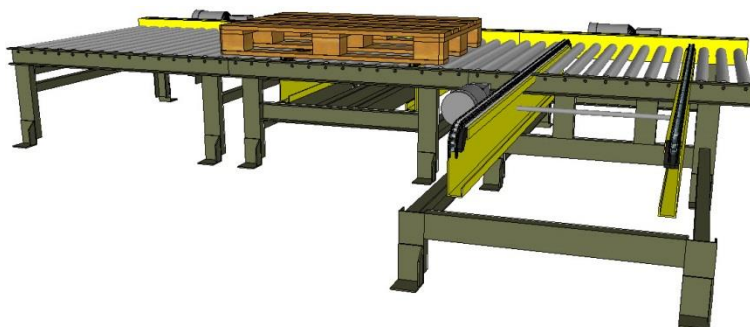
Loading equipment must fulfill the following requirements that they can be transported on Belimo's automated material flow system and stored in the VNA. Other loading aids may only be used for the delivery of long goods and must be approved in writing by Belimo prior to initial delivery.

General requirements for loading equipment

- loading equipment must be in undamaged condition and may not have protruding wood shavings, nails, etc.
- Any part that requires a pallet for shipment to Belimo must be a Full Euro pallet (120 x 80cm) or Half Euro pallet (80 x 60cm)
- it must be possible to drive underneath loading equipment (ground clearance min. 10 cm and 60 cm entry wide for forklift)
- it must be possible to store the loading equipment in the VNA
- Any boxes or material must conform to the size of the pallet and can not overhang the pallet (see Chapter 3.1)

Euro pallets (120 x 80 cm resp. 47.2" x 31.5")

- Euro pallets (standardized according to UIC standard 435-2 and DIN 15146-2 respectively EN 13698-1) in accordance with EPAL regulations with the dimensions 120 x 80 x 14.4 cm must be in sound condition and treated according to ISPM 15. Defective or damaged pallets (see Attachment Chapter I) may not be used
- the use of wooden or cardboard one-way pallets is not permitted
- Pallets have to be suitable on a conveyor system for deliveries to Belimo Switzerland only



Examples of labeling features:

Plastic pallets (120 x 80 cm or 80 x 60 cm resp. 47.2 x 31.5" and 31.5 x 23.6")

- Belimo specified Euro plastic pallets are preferred over Euro wooden pallets
- for deliveries to Belimo Switzerland 120 x 80 cm pallets have to fulfill the quality requirements of the DIN 15146-2 respectively EN 13698-1 norm and 80 x 60 cm the DIN 15146-4 standards

Example of a full size pallet:



Example of a half size pallet:

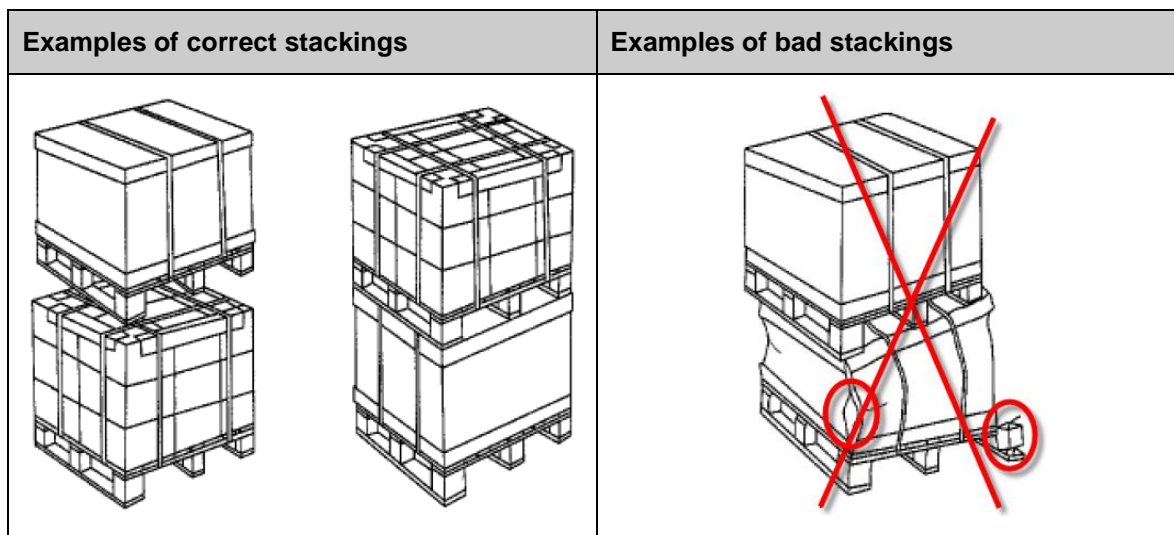


In principle Euro pallets and iron-barred boxes are exchanged.

2.2 Stackability / Transportation

General requirements for the stackability

- shipping units must be able to sustain double stacking without suffering deformation or other damage even during a longer transport or during wet weather
- if the goods are not stackable the shipping units must be labeled with an appropriate warning (e.g. "do not double stack")
- when stacking totes in a shipping unit the rule "heavy before light" has to be applied. This means that heavy goods must be loaded at the bottom and light items at the top of the shipping unit
- in order that pallets can be stacked according to the logics "light on heavy" the total weight must be marked clearly legible on the shipping unit
- as far as possible, the individual packages on the pallet should be placed in such a way that their labels are visible from the outside
- sufficient quantities must be grouped by material and batch type into loading units. If in case of small order quantities no complete loading units can be formed, shipments with different items can be loaded on a mixed pallet (a non mixed pallet means same material, same revision and same purchase order number)
- pallets / totes which are not homogeneously sorted must on one hand be clearly labeled as such (e.g. "Mixed Pallet" or "gemischte Palette") and on the other hand the different items must be separated with skid-proof paper or cardboard layers in order to rule out any possibility of confusion
- in Belimo's automated material flow system contour controls are carried out. Therefore all objects, slips of paper, straps, covers, etc. which exceed the outer contours of the loading units must be avoided (see Chapter 3.1)
- steel strappings are not permitted as strapping for securing the load



2.3 Parcel Shipment

As a general rule, courier shipments are during transportation exposed to higher loadbearing requirements than package freight, which is why their packaging must meet higher demands in terms of quality. Therefore the packaging of these shipments must comply with standard DIN ISO 22248.

2.4 Padding

Requirements for the padding

- appropriate padding of high quality which is adapted to its purpose should be used (e.g. cushions of cardboard, paper and foam material, or air pads) in order that its contents are sufficiently protected against damage
- chips or other, similar products must be avoided for ecological reasons
- air pads are unsuitable as padding material in product packages for sharp-edged and heavy goods with a weight of over 15 kg

3 Packaging Rules

3.1 Dimensions and Weight

Summary pallet dimensions

- | | | | |
|--|-------------------|-----|---|
| • maximum dimensions | complete pallets: | CH: | 47.2" x 31.5" (120 x 80 cm) |
| | half pallets: | CH: | 31.5" x 23.6" (80 x 60 cm) |
| • maximum stacking height (incl. loading equipment): | | CH: | 63.0" (160 cm) |
| • intermediate levels of the VNA Warehouse: | | CH: | 23.6" / 41.3"
(60 cm / 105 cm) |
| • maximum net weight | complete pallets: | CH: | 1'676 lbs (760 Kg) |
| | half pallets: | CH: | 838 lbs (380 Kg) |
| • maximum dimensions | complete pallets: | US: | 47.2" x 31.5" (120 x 80 cm) |
| | half pallets: | US: | 31.5" x 23.6" (80 x 60 cm) |
| • maximum stacking height (incl. loading equipment): | | US: | 80.0" (203cm) |
| • intermediate levels of the VNA: | | US: | 38.0" / 53.0"
(96.5 cm / 134.6cm) |

Summary pallet dimensions				
<ul style="list-style-type: none"> maximum net weight 	complete pallets:	US:	2'500 lbs	(1'132Kg)
	half pallets:	US:	1'250 lbs	(567Kg)

Summary dimensions of boxes / totes			
<ul style="list-style-type: none"> maximum dimensions of boxes / totes (L x w): 	600 x 400 mm	(L x W)	
<i>Belimo standard dimensions for boxes / totes:</i>	600 x 400 x 220 mm	(L x W x H)	
	400 x 300 x 220 mm	(L x W x H)	
	300 x 200 mm	(L x W)	
<ul style="list-style-type: none"> maximum height of boxes / totes: 	300 mm		
<ul style="list-style-type: none"> intermediate levels of the AS/RS Warehouse: 	170 mm / 300 mm		
<ul style="list-style-type: none"> maximum net weight per box / tote: 	45 lbs	(20 Kg)	

Delivered pallets may not have any overlap on the loading equipment. However, the following contours are permitted at the maximum in order to allow deliveries still to be stored in the automated VNA:

Acceptable dimensions of complete pallets (49.6" x 33.8" or 126 x 86 cm)	Acceptable dimensions of half pallets (33.1" x 25.2" or 84 x 64 cm)

3.2 Material Packing / Product Packaging

Requirement for material packing / product packaging
<ul style="list-style-type: none"> material packing / product packaging must be sorted by material type boxes / multi-way totes may not be overstuffed (e.g. through stuffing with padding material) appropriate labeling / lettering (see also Chapter 4)

3.3 Shipping Packages

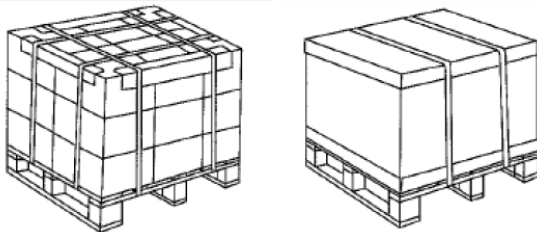
Shipping packages must be adapted according to distribution channel, exposure during transportation and vulnerability of the product. Hence robust materials can also be dispatched without additional shipping packaging if the requirements to the shipping package are fulfilled by the product packaging and if it does not concern a Belimo product (so-called EXT-items).

Except when otherwise stipulated shipping packages may not exceed the excess lengths and weights defined in Chapter 3.1. In case deliveries have to be repacked because e.g. the weight limits or dimensions have been exceeded, Belimo reserves the right to charge the suppliers with a flat rate for the effort incurred (according Chapter 7).

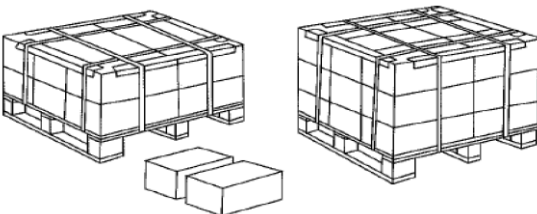
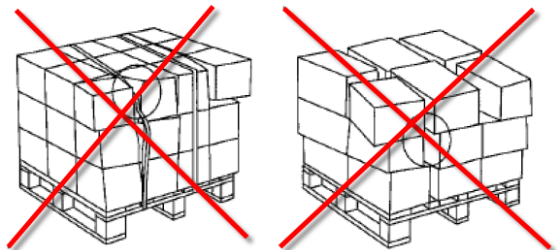
Requirements for shipping packages

- maximum contours (according Chapter 3.1) may not be exceeded
- by means of corner reinforcements or cardboard inserts must be prevented that strapping tapes cut into the packages
- vacant spaces must be filled with appropriate padding in order to allow stacking during transportation (e.g. air pads, empty cardboard boxes, etc.)
- per item a maximum height must be determined. Smaller heights (e.g. one layer less) are permitted, bigger dimensions (e.g. one layer more) however are not allowed.
- transport packaging and loading equipment must be joined up in a solid manner (e.g. by means of strapping tapes or foils)
- appropriate labeling / lettering (see also Chapter 1)
- packaging optimization on distribution channel, exposure during transportation and vulnerability of the product by means of adequate padding

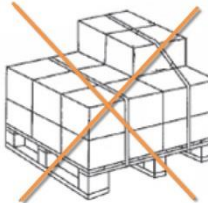
Examples of correct shipping packages

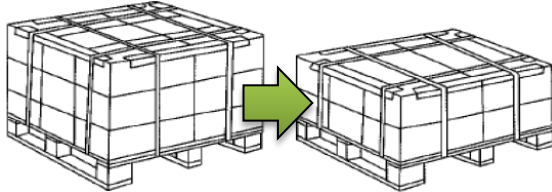
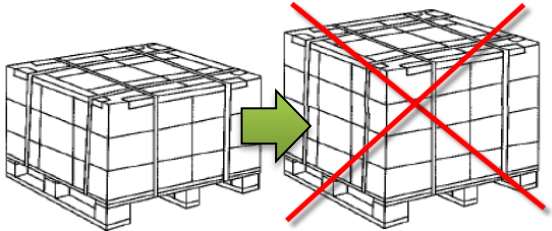


Examples of bad shipping packages



Uneven surfaces and vacant spaces must be avoided



Examples of correct shipping packages	Examples of bad shipping packages
<p>Smaller dimensions than standard dimensions are permitted</p> 	<p>Bigger dimensions than standard dimensions are not permitted</p> 

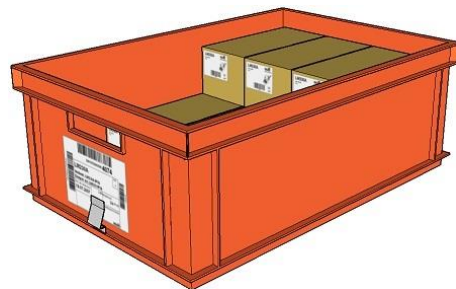
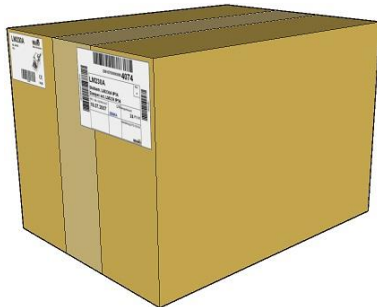
4 Requirements for Material Labeling

A delivery unit must be storable and labeled. For this purpose the bin label must contain the following data:

- Belimo item number including the material - revision status (not drawings index)
- quantity per delivery unit
- production date
- Belimo order number
- "Made in [country]" indication for shipments to the USA
(The name of a confederation (e.g. "Made in EU") may not be used)

Material labeling

- every box / tote must be clearly labeled / identifiable
- on boxes the suppliers' product label is stuck in the left upper corner. For multi-cycle totes however no additional product label is required
- per tote- / multi packaging only one Belimo bin label may be used
- old labels must be removed from multi-cycle totes
- the Belimo bin label must be stuck in the right upper corner resp. on the mounting designated for this purpose in the case of multi-way plastic containers



Material labeling

- bin labels can be printed as follows:
Belimo-printing platform link:
<http://ppf.belimo.ch>

In case of ambiguities Belimo's Procurement team can be contacted

- example of a bin label (size: ~138 x 93mm):



Label involves the following data:

- Serial number
- Belimo Article number
- Article description
- Revision level
- Production date of the supplier
- Belimo storage location
- Quantity
- Belimo purchase order number
- Origin (mandatory for shipments to Belimo US)

4.1 Direct Deliveries from the Suppliers to Belimo Customers

Shipments which are distributed by Belimo in the vendor's original packaging must meet Belimo's packaging standards visually as well as in terms of quality (see Attachment Chapter V).

5 Multi-Cycle Totes / Trays

To ensure an optimal material logistics Belimo standard multi-cycle totes should be used whenever possible and economically reasonable. Multi-cycle totes / trays are - unless otherwise agreed - only exchanged within Europe or the USA and in case of a sufficient quantity returned at the supplier's expense.

The supplier is responsible for the availability of multi-cycle totes / trays.

5.1 Contact Address

To order or exchange multi-cycle totes the following addresses can be contacted.

Contact Belimo Hinwil

- Please note:** Applicable only for EU suppliers (Belimo plastic containers are only available for Swiss suppliers)
- order of multi-cycle totes must be made by filling out an order form for empty packaging which is to be sent to:

Tel.: +41 / 43 843'69'16

Fax: +41 / 43 843'64'21

leergut.bestellungen@belimo.ch

Contact Belimo Danbury

- Please contact your local purchasing manager

If required, an updated, current list of all multi-cycle totes available at a particular location can be ordered at the appropriate contact address.

6 Master Data

Besides the general purchasing data warehouse-specific master data of each item are needed for the determination of the storage strategy. In particular these are the following data:

- Belimo item number
- external dimensions of shipping unit, bin packaging, product packaging used
- number of items per product packaging, bin packaging, shipping unit

Belimo must be informed of these data and any changes until latest 2 workdays before initial delivery.

7 Measures in the Event of Noncompliance with the Delivery Regulations

The supplier must ensure that the forwarders assigned by him only use vehicles which are equipped with sufficient tools and possibilities that the goods reach their point of delivery in proper condition. The acceptance of goods which have been delivered in damaged condition may be refused and returned at the expense of the supplier.

For shipments which do not comply with these packing instructions and the goods of which have to be rearranged onto other pallets, restacked or repacked (this may also apply in case of incorrect data), the suppliers are charged with a flat-rate expense of CHF 100.00.

Exempted herefrom are air freight sent without loading equipment and packaging approved by Belimo that does not comply with these regulations.

7.1 Limitation of Liability

The supplier is under the obligation to warrant a sufficient packaging protection and proper packaging type even if the risks according to the international commercial terms (Incoterms) were agreed otherwise.

Belimo reserves the right to recourse against the supplier in case of damages or loss occurred provided these are the result of lacking or poor packaging, since under the purchase agreement correct packaging is an accessory obligation of the vendor.

Packaging is considered inadequate if it does not fulfill the quality requirements defined in Chapter 2 or of any specifically agreed quality requirements. Bad packaging is regarded by Belimo as a quality defect of the product.

8 Notice and Approval by Supplier

The supplier confirms his approval of these delivery regulations if he fails to submit his exceptions to Belimo within 30 days of receipt.

Any deviations from these delivery regulations must be explicitly approved in writing by Belimo.