Delivery Guideline for Suppliers

Drawing Parts | Purchased Parts

For deliveries to the plants
Neutraubling | Nittenau | Rosenheim | Flensburg | Freising (Steinecker)

Created by: CPL QA Suppliers
Date: 2016 / 08 / 05
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General requirements and information: Scope of application

- This guideline rules the delivery of goods in the plants
  - Neutraubling
  - Nittenau
  - Rosenheim
  - Flensburg
  - Freising (Steinecker)
  of the KRONES AG.

- The guideline applies to the delivery of the following product groups:
  - Drawing parts
  - Purchased parts

- Further requirements for suppliers, the supply relationship design and the order process are defined in the supplier handbook, the supplier code, the general terms and conditions of the KRONES AG and the contract specific set of agreements.
General requirements and information: LCS purchase orders

- LCS purchase orders (Life Cycle Service – Orders for retrofits and spare parts) have a higher priority and must be given preferential treatment.
- LCS purchase orders can be identified by the postpositioned “/E” following the purchase order number.

General requirements and information: Order processing

- Any goods have to be delivered as ordered with regard to their product structure on grounds of logistics and customs clearance. Parts ordered separately, must not be delivered in assembled condition. Vice versa an assembly must not be delivered in disassembled condition.
- In case of any deviation between confirmed order and delivery (e. g. concerning price, delivery date, delivery quantity, Incoterms, packaging, packaging costs, structure / condition of the order item, …) consultation of the orderer is mandatory before the delivery of goods.
- The supplier has to inform freight carriers and parcel services about the exact delivery address of each separate order item in written form.
Means of transport and packaging: General requirements – I

- Box pallets have to be used as preferred means of transport.
- If delivery in box pallets is not possible (e.g. due to part geometry), goods have to be delivered in resistant cardboard packaging on suitable pallets or transportable frames instead.
- All packages / containers must be suitable for handling and transport with forklifts.
- Transport containers must be filled homogeneously, which means that different parts must not be mixed within one container.
- Overhang of the transported goods beyond the means of transport must be avoided as far as possible.
- Large packages / containers (e.g. crates) must preferably be used in dimensions that allow for transport and storage in standardised box pallets without overhang later on.
- Exceptions are only permitted for bulky goods which require an individual transport container.
- As far as possible goods must not be stacked in several tiers.
- If stacking of goods in several tiers is inevitable a complete packing list must be attached to the transport container visibly.
- Transport containers must be numbered consecutively if several containers are necessary for one article.
  - Example: „Purchase order number 4512345678, Order item 20, Container 3 of 7“
Means of transport and packaging: General requirements – II

– All containers must be delivered with maximum filling degree.
– All goods must be protected against effects of weather, in particular humidity and if necessary direct sunlight / solar radiation.
– Besides an effective protection against any further damage during transport and storage must be ensured.
– Also the environment must be protected against the hazards arising from the goods.
– The following maximum weights must not be exceeded:
  ▪ Delivery in small box pallet 800 x 1.200 x 500: 400 kg max. incl. container
  ▪ Delivery in big box pallet 800 x 1.200 x 1.000: 800 kg max. incl. container

– In case goods are delivered with wood packaging the packaging has to fulfill all requirements defined in the Regulations of Wood Packaging Material in International Trade (ISPM 15).
– This applies not only to international deliveries but also to domestic trade deliveries and includes the sole use of wood packaging marked with IPPC stamping.
– The IPPC stamping has to be clearly visible without disassembling or opening the packaging.
– The entire regulations can be viewed under the following hyperlink: https://www.ippc.int/largefiles/adopted_ISPMs_previousversions/en/ISPM_15_2009_En_2009-04-23.pdf
– Please also note our business letter on that matter from July 25, 2016.
Means of transport and packaging: General requirements – III

- In case the supplier participates in the KRONES empties management only labelled means of transport obtained through the empties management (see slide 20) shall be used for delivery.
- The condition of box pallets must be checked before use.
- Damaged box pallets must be reported and returned to KRONES and shall not be used for further deliveries.
- Further damaged box pallets must be marked as such (e.g. using red paint).
- Unacceptable defects include:
  - Deformed pedestals
  - Damaging of the box pallet bottom (e.g. major cracks in the wooden planks)

Example 1: Damaged box pallet with deformed pedestal

Example 2: Damaged box pallet marked with red spray paint
Means of transport and packaging:
Requirements for KANBAN deliveries and participation in the KRONES empties management

- In addition to the general requirements the following points apply
  - for any KANBAN deliveries
  - for all suppliers participating in the KRONES empties management

- KRONES standard containers must be used for all deliveries.
- For the KRONES standard containers the following plant-specific maximum weights must not be exceeded:

  - **Plant Rosenheim:**
    - Blue containers: 30 kg max. incl. container
    - Green containers: 15 kg max. incl. container
    - Gray containers: 7.5 kg max. incl. container

  - **All other plants within the scope of application:**
    - All containers: 35 kg max. incl. container
Means of transport and packaging:
Requirements for KANBAN deliveries and participation in the KRONES empties management

- All of the separate KRONES standard containers must be aggregated in box pallets for delivery.
- The following maximum weights for box pallets must not be exceeded:
  - Delivery in small box pallet 800 x 1.200 x 500: 400 kg max. incl. container
  - Delivery in big box pallet 800 x 1.200 x 1.000: 800 kg max. incl. container
- KRONES standard containers must be delivered in a way that allows for further processing / handling without additional unpacking or repacking.
- This particularly applies for deliveries per CEP services / parcel services.
- An outer package (e.g. shipping of KRONES standard containers in cardboard packaging) is not permitted.
- Overdelivery and underdelivery for individual order items is not permitted for KANBAN deliveries.
- If necessary, covers for KRONES standard containers can be ordered via the KRONES empties management. Please see the slides on empties management in this guideline for more detailed information (slide 20).
- Exceptions to the arrangements mentioned above can be made in reasonable cases. In any case such exceptions need to be agreed on by the relevant KRONES departments (Transport Coordination, Strategic Purchasing, Supplier Quality Assurance).
## Which information is provided in KRONES purchase orders?

**KRONES AG**
Behringwaldstr. 5
D-33073 Neutraubling

### Purchase order

<table>
<thead>
<tr>
<th>Item</th>
<th>Material Order no.</th>
<th>Unit</th>
<th>Description</th>
<th>Price per unit</th>
<th>Net value</th>
</tr>
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<tr>
<td>[5]</td>
<td></td>
<td></td>
<td>INSCRIPTION KOMPLETT INKLUSIVE MATERIAL</td>
<td></td>
<td></td>
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<tr>
<td>[8]</td>
<td></td>
<td></td>
<td>Length (L): 30.00 mm</td>
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<td></td>
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<tr>
<td>[10]</td>
<td></td>
<td></td>
<td>Height (H): 167.00 mm</td>
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</tr>
<tr>
<td>[7]</td>
<td></td>
<td></td>
<td>Thickness (S): 6.00 mm</td>
<td></td>
<td></td>
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<tr>
<td>[9]</td>
<td></td>
<td></td>
<td>SURFACE: NO TREATMENT</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Basic material: 1.4301</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>size/dimensions: 1.67 x 0.3 x 2.5 DM</td>
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<td></td>
<td></td>
<td>Material number: 1.4301</td>
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<td></td>
<td></td>
<td>Material design: X3CrNi1810</td>
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<td>Behälter:</td>
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<th>Item</th>
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<th>Description</th>
<th>Price per unit</th>
<th>Net value</th>
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<td>FLANGE PN DN40</td>
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<th>Unit</th>
<th>Description</th>
<th>Price per unit</th>
<th>Net value</th>
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<td>Your address</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Your vendor number with us</td>
<td>687836</td>
<td></td>
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<td></td>
<td>Your personal responsible</td>
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<td></td>
<td>your for number</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>your telephone number</td>
<td></td>
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<tr>
<td></td>
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<td></td>
<td>Your delivery number</td>
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<tr>
<td>[2]</td>
<td></td>
<td></td>
<td>PO number/date</td>
<td>KF1-4505927578 / 07.03.2016</td>
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<tr>
<td>[6]</td>
<td></td>
<td></td>
<td>Purchase order</td>
<td></td>
<td></td>
</tr>
<tr>
<td>[7]</td>
<td></td>
<td></td>
<td>Contact person/Telephone</td>
<td>Melanie Petrovsky / 09401 706487</td>
<td></td>
</tr>
<tr>
<td>[10]</td>
<td></td>
<td></td>
<td>Email</td>
<td><a href="mailto:melanie.petrovsky@krones.com">melanie.petrovsky@krones.com</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Our tax number</td>
<td>09401 7091 6487</td>
<td></td>
</tr>
</tbody>
</table>

Please deliver to:
KRONES AG
Berlinstr. 20-22
D-33073 NEUTRAUBLING

Germany

Delivery date: 21.03.2016
Transfer date / time: 07.03.2016 08:49:18

Deliv. terms: Ex Works Horshamshire, UK
Payt. terms: within 14 days Due not

*Please print the weight per part (package item) on the delivery note*

*We require an order acknowledgment for the following items within three days*

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**RESPECTING VALUES IN EFFECTIVE DIALOGUE**
**CREATE VALUE WITH POWERFUL SOLUTIONS**
**SECURING VALUE FOR A STRONG FUTURE**
Which information is provided in KRONES purchase orders?

Your address

Price per unit

Total price

Delivery date

Transfer date / time

Due terms: Ex Works Herfordshire, UK

SARL Betisis Bottling Company / Zone Industrielle de Betis / 19000 Betis

Urgent spare parts order! Please print separately and quote the complete purchase order reference on the delivery note.

KRONES AG
Rothenwalder Str. 5
D-93073 Neutraubling

LCS PO

Your order number with us 687838

KRONES AG
Warenengang 4 / Pforte 4
Dr. Hermann-Kronseder-Straße 58
93073 Neutraubling

GERMANY

Delivery terms: Ex Works Herfordshire, UK

80.4.2016 10.14.27

[Additional data for order specific goods]
Which information is provided in KRONES purchase orders?

[1] Your SAP vendor number / supplier number
[2] KRONES purchase order number
[3] Order item
[4] Delivery address | Attention: May vary depending on the specific order item!
[5] KRONES article number
[6] KRONES article description
[7] KRONES drawing number and revision / drawing index
[8] Classification data and variables for articles with collection drawing
[9] Order quantity and unit of quantity
[10] For KANBAN deliveries only: KANBAN number | KANBAN storage location | Required KRONES standard container
[11] For articles with batch tracing or mandatory certification only: Requirements regarding inspection certificates or pressure equipment certification

Further information may be indicated depending on the specific order item:
- For order related goods: Customer order number | Customer order item | Commission number
- For purchase orders following a complaint: KRONES complaint number incl. affected KRONES order number and order item
Which data must be enclosed on your delivery note?

Example 1:
Redelivery following a complaint. The delivery note states the KRONES complaint number at position [16].

Example 2:
KANBAN article. KANBAN number and KANBAN storage location are given. Further the delivery note states the technical drawing number and the drawing index for this article.

Example 3:
Article with batch tracing. The delivery note states the heat number of the raw material from which the article was made. In case of pressure equipment the serial number or fabrication number must be stated here. This delivery note further gives the number of the corresponding inspection certificate.

Example 4:
The supplier in this case has conducted a quality assurance agreement (QAA) with KRONES and therefore places a certificate of compliance with the order in accordance with DIN EN 10204-2.1 on the delivery note.
Which data must be enclosed on your delivery note?

[2] KRONES purchase order number
[3] Order item
[4] Delivery address
[5] KRONES article number
[6] KRONES article description
[7] KRONES drawing number and revision / drawing index
[8] Order quantity and unit of quantity
[9] For KANBAN deliveries only: KANBAN number
[10] For articles with batch tracing or mandatory certification only: Certificate number and heat number | Serial number or fabrication number
[12] Indication of partial delivery and / or full delivery
[13] Weight per article
[14] For suppliers with quality assurance agreement only: Certificate of compliance with the order 2.1 according to DIN EN 10204
[15] For redelivery following a complaint only: KRONES complaint number incl. KRONES purchase order number and order item

- If necessary requested data must be listed for each order item separately.
- Agreements (e.g. special releases via supplier.request@krones.com) must be indicated on the delivery note for each affected order item.
Certificate of compliance with the order for QAA suppliers

- Suppliers which have concluded a quality assurance agreement (QAA) with the KRONES AG are obliged to place a certificate of compliance with the order 2.1 in accordance with DIN EN 10204 on all delivery notes.
- Alternatively it is possible to enclose the certificate of compliance with the order 2.1 as a separate sheet to the delivery documents.
- Sample wording:

  "Certificate of compliance with the order in accordance with DIN EN 10204 - 2.1: Test result
  We herewith confirm that the parts / articles listed on the delivery note comply with the requirements according to the purchase order (incl. all further applicable documents)."

- The certificate of compliance with the order must either be signed by hand or carry the following note if generated automatically:

  "This document was issued electronically and is valid without signature."
Labelling of articles

- All delivered articles must be clearly identifiable.
- Therefore the articles must be labelled with:

  [2] KRONES purchase order number
  [3] Order item
  [5] KRONES article number
  [9] Delivery quantity and unit of quantity
Goods receiving and delivery times

- The plant-specific delivery times shown on the right side are to be adhered to.
- Urgent consignments will be accepted outside the regular delivery times only with advance notice under naming of the affected KRONES order number and order item.
- Delivery destinations may vary from order item to order item.
- The supplier is responsible for unloading each item at the delivery destination given in the purchase order.
- Separation of goods while unloading on the KRONES factory premises is not possible.
- KRONES reserves the right to charge a handling fee for internal processing and forwarding of goods to the correct delivery destination in case of delivery to an incorrect goods receiving area.
Articles with batch tracing or mandatory certification

- In case of articles with batch tracing or any kind of mandatory certification the required type of certification or the extent of documentation required is given per order item in the corresponding purchase order.
- Unless otherwise specified in the purchase order the required certificates and / or documentation has to be submitted to a certificate mailbox via e-mail in digital form.
- There are several certificate mailboxes available. The correct certificate mailbox for submission of certificates and / or documentation has to be selected depending on the delivery address / destination given in the purchase order per order item.
- For delivery addresses / destinations and the e-mail addresses of the corresponding certificate mailboxes see the table on the next slide.
- All certificates must be submitted under specification of
  - the purchase order number
  - the order item
  - heat number / batch number / serial number / fabrication number
- In case of partial deliveries all certificates have to be submitted for each single partial delivery even if the certificates are the same as already submitted for prior partial shipments.
- To ensure traceability articles with batch tracing or mandatory certification are to be delivered homogeneously, which means that parts from different batches / lots must not be mixed within one container.
## Articles with batch tracing or mandatory certification

<table>
<thead>
<tr>
<th>Delivery address / destination</th>
<th>e-mail address of certificate mailbox</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant Neutraubling – Incoming goods department 1</td>
<td><a href="mailto:certificates.gr1@krones.com">certificates.gr1@krones.com</a></td>
</tr>
<tr>
<td>Plant Neutraubling – Incoming goods department 2</td>
<td><a href="mailto:certificates.gr2@krones.com">certificates.gr2@krones.com</a></td>
</tr>
<tr>
<td>Plant Neutraubling – Incoming goods department 3</td>
<td><a href="mailto:certificates.gr2@krones.com">certificates.gr2@krones.com</a></td>
</tr>
<tr>
<td>Plant Neutraubling – Incoming goods department 4</td>
<td><a href="mailto:certificates.gr2@krones.com">certificates.gr2@krones.com</a></td>
</tr>
<tr>
<td>Plant Neutraubling – Pipe production center RPZ</td>
<td><a href="mailto:certificates.gr-rpz@krones.com">certificates.gr-rpz@krones.com</a></td>
</tr>
<tr>
<td>Plant Flensburg</td>
<td><a href="mailto:certificates.gr-fl@krones.com">certificates.gr-fl@krones.com</a></td>
</tr>
<tr>
<td>Plant Freising</td>
<td><a href="mailto:material.certificate@krones.com">material.certificate@krones.com</a></td>
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<td>Logistics Hub Hamburg</td>
<td><a href="mailto:certificates.gr-hh@krones.com">certificates.gr-hh@krones.com</a></td>
</tr>
<tr>
<td>Plant Nittenau</td>
<td><a href="mailto:certificates.gr-ni@krones.com">certificates.gr-ni@krones.com</a></td>
</tr>
<tr>
<td>Plant Rosenheim</td>
<td><a href="mailto:certificates.gr-ro@krones.com">certificates.gr-ro@krones.com</a></td>
</tr>
</tbody>
</table>
**Empties management**

- Suppliers can request and return means of transport for delivery to KRONES AG using the KRONES empties management.
- Upon delivery the supplier must hand in the empties return note together with the delivery documents at the local goods receiving department. This also applies for KANBAN deliveries.
- The supplier then receives a copy of the empties return note signed by the goods receiving staff.
- Only one return note per delivery is necessary.
- Templates for empties request notes and empties return notes are provided digitally through eProcurement.
- The supplier may request an empties statement at any time. The empties statement lists all actual stocks and receivables of empties of the supplier.
- Contact persons for the empties management:
  - Neutraubling plant: Hermann Schweiger Phone: +49 9401 70-2880 hermann.schweiger@krones.com
  - Rosenheim plant: Ralph Ritthaler Phone: +49 8031 4048-110 ralph.ritthaler@krones.com
    Josef Schmid Phone: +49 8031 4048-185 josef.schmid@krones.com
  - Freising plant: Georg Mitterpleininger Phone: +49 8161 953-245 georg.mitterpleininger@krones.com
Empties management

Templates for the KRONES empties management:
Left: Empties request note
Right: Empties return note
Environment protection / Energy efficiency

We, the KRONES AG, acknowledge our responsibility for a clean environment and climate protection. Through the application of new technology and procedures as well as the consequent implementation of and compliance with environmental legislations at our locations we ensure an economical handling with resources and low pollution.

Therefore the KRONES AG sets itself extensive environmental and energy targets to reach a systematic and sustainable prosecution of the subject. These targets apply to our own production facilities and products as well as to the selection of our suppliers.

For these reasons, our suppliers commit to the implementation of the following points:

- According to the principle „As much as necessary, as little as possible“ the extent of packaging must be reduced to its minimum while at the same time ensuring the protection of goods against any impairment of their properties. Oversized packaging must be avoided.
- For hazardous goods the statutory provisions in their currently valid versions must be observed. The required warning signs must be attached to the packaging visibly.
- Liquid containers must be secured against leakage especially during unloading and transportation.
- Special agreements made between the supplier and KRONES AG must be observed.
Thank you for your attention!

We do more.