

Logistics and Delivery Terms

These Logistics and Delivery Terms are part of the Framework Purchasing Agreement entered into between the Parties and shall be signed below by both Parties

General

The Parties agree to work together to reduce the total lead time, the total amount of capital tied up, to reach the delivery target and that the Supplier delivers on time to Ahlsell's Logistics Center (LC) and Regional Warehouse and with correct quality according to the Agreement. The Parties aim to achieve the lowest possible total cost for both Parties.

1. Carriage and Packing Instructions

- 1.1 Where it is possible to use standard pallets, approved EUR-pallets (as per the Europe standard SS-EN 13698-1) shall be used. Goods that do not fit on standard pallets shall be packaged in suitable disposable packaging in a manner that protects the goods to the necessary extent and allows for the pallet/package to be handled by forklift. The pallet/package shall be of such quality that the pallet/package is fit for pallet racking storage.
- 1.2 All wooden packages (e.g. pallets and pallet collars) that arrives at Ahlsell shall be approved according to the international standard ISPM 15. This applies primarily to pallets and pallet collars.
- 1.3 The maximum weight/height of each single pallet shall be:

Sweden	950 kg	1100 mm	Mixed pallet maximum 1600 mm
Finland	750 kg	1100 mm	Mixed pallet maximum 1600 mm
Norway	600 kg	1250 mm	Mixed pallet maximum 1600 mm
- 1.4 The pallets shall only include one kind of item where possible based on the quantity and the article's nature, design and quality, i.e. if an item covers at least one layer on a pallet, it must be delivered on its own pallet.
- 1.5 The packages shall only include one kind of item, where possible based on the quantity and the article's nature, design and quality. All items of the same item number shall always be delivered in the same package and be clearly separated from items with different item number(s).
- 1.6 Items comprising several components must be packaged together to ensure receipt of complete items. Only complete items may be delivered.
- 1.7 Orders placed to different delivery addresses/unloading facilities (e.g. outdoor-items and indoor-items) shall be packed separately and each order kept together in the delivery.
- 1.8 Bundles of pipes shall only include one kind of item and marked with the relevant item number, quantity and charge number. Maximum weight per bundle is 1500 kg (Sweden and Finland) and 1200 kg (Norway). The bundles shall rest on three intermediate sheets with a dimension of at least 75 x 75 mm.
- 1.9 Large items that cannot be loaded onto pallets shall be equipped with eyebolts.

2. Labeling of Goods

- 2.1 All products/packages shall be labelled with Ahlsell's item number, or at least the Supplier's item number. The labeling shall be on the language of the receiving country (Swedish/Norwegian/Finnish) and additional languages if so requested.
- 2.2 The short side of each unmixed pallet/package shall clearly be marked with:
 - Ahlsell's purchase number;
 - Ahlsell's item number or the Supplier's item number;
 - number of items in the pallet/package; and
 - number of items.
- 2.3 Pallets that contain different items shall be marked "MIXED PALLET".
- 2.4 Transit goods (goods ordered by Ahlsell's sellers for delivery via LC) shall be packaged individually and labelled "TRANSIT" along with the Purchaser's order number.
- 2.5 Acquisition goods (transit goods ordered by Ahlsell's purchasers for delivery via LC) shall be packaged on a customer-by-customer basis and labelled with the order number of Ahlsell's customer. Individual packages shall then be grouped separately and marked "TRANSIT" along with the purchaser's order number noted on the outer packaging.

3. Consignment Note and Delivery Note

- 3.1 The consignment note shall include the sender, type of packages, number of packages and description of goods/Ahlsell's purchase number.
- 3.2 Where the total order volume exceeds 5 m3 there shall be one consignment note per delivery address/unloading facility.
- 3.3 The delivery note shall include the purchase order and the Purchaser's item number. The delivery note shall only include items from one order.
- 3.4 The delivery note shall be attached and clearly visible on the outside of the packaging in a slip pocket. Where the delivery includes orders to multiple delivery addresses/unloading facilities, all delivery notes to the same delivery addresses/unloading facilities shall be on a single pallet.

4. Certificates

- 4.1 For items where the Purchaser requires certification/attestation, such documentation shall be e-mailed (Sweden cert@ahsell.se; Norway: cert.industry@ahsell.no; and Finland: ainestodistukset@ahsell.fi) well in advance to be available for a Purchaser at LC in advance of the goods. Certificates shall be clearly marked with the Purchaser's order number and which item it applies to. Further, the certificate shall state the charge-, batch- and heat numbers. The charge number shall be clearly stamped on each item.

5. Fixed Delivery Dates to the Logistics Center

- 5.1 The Purchaser shall determine a delivery schedule following discussions with the Supplier. The Purchaser will update the delivery schedule on a regular basis.
- 5.2 The Supplier shall deliver to the ware-house of the Purchaser in accordance with the agreed timeframe. Delayed deliveries may, in addition to other remedies, be denied or delayed to the next available time slot for unloading.
- 5.3 In cases of at least one delivery per week to the Logistics Center, all transit goods and potential outstanding orders shall be sent together with the weekly delivery.
- 5.4 If an item is discontinued or temporarily unavailable, no substitute item shall be delivered.
- 5.5 For transit/purchases via LC, the Supplier bears the risk (i.e. for damages, wrong quantity delivered and similar) for the goods until receipt by the end customer since the delivery will not be opened at the Logistic Center.

6. Order and Order Confirmation

- 6.1 Date of delivery is the date when the products reach the Purchaser.
- 6.2 In case of temporary delays for the entire or parts of the Supplier's assortment, the responsible Purchaser at LC shall be informed.
- 6.3 Order confirmation shall be sent to the purchaser within 24 hours and shall set out the time of delivery. In case of changes to the requested date of delivery or changes to the earlier communicated time of delivery, a new time of delivery shall be communicated to the purchaser.

7. Lead Time and Performance Follow-up

- 7.1 The Supplier shall inform the Purchaser of the estimated lead time (number of business days from purchase order until Purchaser's receipt of the goods).
- 7.2 The agreed lead time will be as follows (may also be specified separately in case of various lead times per product range):
 - LC Hallsberg _____ business days
 - LC Gardermoen _____ business days
 - LC Hyvinge _____ business days
- 7.3 The Supplier shall follow-up on lead times and delivery precision (deviation from agreed and/or confirmed delivery times) and on its own initiative initiate measures to improve delivery precision.
- 7.4 The Purchaser is dependent on reliable delivery precision from the Supplier. A common ambition is to deliver all orders in accordance with the agreed lead times, however, a minimum of 97 % of all the frequency items shall be delivered within + / - 1 business days compared to the delivery date requested by the Purchaser and 100 % of all the order lines on the confirmed date. Any date of deliveries which are changed upon Ahlsell's request shall not be taken into account.
- 7.5 If the Supplier does not deliver in accordance with this Section 7 (in relation to agreed lead time, agreed delivery time and confirmed delivery time), the Purchaser has a right to ask for compensation according to the Ahlsells General Terms and Conditions of Purchase.
- 7.6 Any applicable exemptions for planning and delivery in cars shall be set out in this agreement. It is the responsibility of the Supplier to inform the Purchaser of any occurrence of changes in the lead times. Considerable extensions to lead times grants the Purchaser the right to renegotiate the terms of the items concerned.
- 7.7 In case of substantial deviations from the above-mentioned ambition concerning the delivery precision, and if the Supplier has failed to inform the Purchaser in reasonable time and has not taken action to minimize the negative effects on the Purchaser's sales, the Purchaser is entitled to request compensation for the loss of margins due to loss of sales in addition to the Ahlsells General Terms and Conditions of Purchase.
- 7.8 Upon screening and request by the Purchaser, the Supplier shall take action to improve delivery quality (deviation in quantity, impairments and similar), delivery precision and performance of delivery (deviation from Ahlsell's packing instructions, labelling and information on consignment and delivery notes) within a reasonable timeframe. The Purchaser shall have the right to claim compensation from the Supplier due to additional work.

8. Deviation from Logistics and Delivery Terms

- 8.1 Upon entering into of this Agreement, if the Supplier is unable to meet the set terms on logistics and delivery, the Supplier shall, in consultation with the Purchaser, specify any agreed deviations to the standard terms below.

Section	Deviation

Place and date:

SUPPLIER

 Name:
 Title:

 Name:
 Title:

Place and date:

PURCHASER

 Name:
 Title:

 Name:
 Title: