Snap-on Tools/SLC Packaging Specification

For Shipments to Snap-on Distribution Centers in:

Olive Branch, Mississippi Crystal Lake, Illinois Robesonia, Pennsylvania Carson City, Nevada 01/31/2003

Snap-on Tools

This document specifies the Snap-on Distribution Group inbound shipment packaging and bar code label requirements, which is common across all North American distribution sites. The current distribution sites are Robesonia PA, Olive Branch MS, Crystal Lake IL, and Carson City NV.

Important Notice: Shipments to Snap-on Plants and Repair Centers will continue to ship in bulk packaging.

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Bar Code Label Certification Program

Snap-on Distribution Group implemented a Bar Code Certification Program to verify label format and bar code readability. All suppliers are required to submit their bar code labels for certification at the following address:

Attention: Carmen Weygand Snap-on Tools Crystal Lake Distribution Center 3011 East Route 176, Door 14 Crystal Lake, IL 60014 carmen.m.weygand@snapon.com

Once the labels are tested and certified, it is expected that the data entered on the certified label matches all future shipments. Snap-on WMS group reserves the right to sample a label any time after certification to validate that the label contains:

- information that matches this specification, and
- readable bar codes as when certified.

Snap-on scanners can read both 39 and 128 codes. If you need to make a choice on the 128 series, choose 128A. **Also intermittent bar code readings are minimized with an asterisk prefix and suffix.**

Snap-on Distribution Group labeling requirements generally follow the guidelines and standards issued by the broadly recognized Automotive Industry Action Group (AIAG).

Questions Regarding this Specification

If, after reading this document, you have a question on some detail of the specification; please contact:

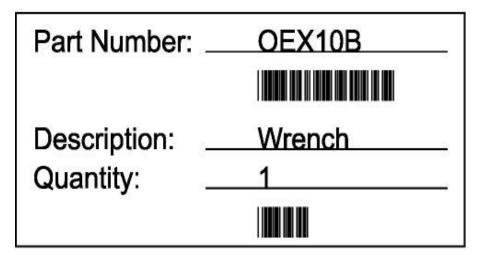
Bill Yenawine Snap-on Tools Crystal Lake Distribution Center 3011 East Route 176, Door 14 Crystal Lake, IL 60014 William.C.Yenawine@snapon.com

Individual Item Packaging and Labeling (SKU)

Snap-on expects that each supplier will package the product to protect it from transit and handling damage. Suppliers must keep in mind that your products will ship with a wide variety of items of varying shapes and weight. A majority of these shipments are somewhat loosely packed in corrugated containers. Your package must protect your product in this environment.

Labeling for individual items must include the following information. *Add a serial number to the label only if your product has a serial number.* If you are required to supply an ASN label, page 7, this label is still required in addition to an ASN label.

SKU label is not to scale. Size to fit package. Must remain readable.



Quantity

Important: Since this is an SKU label, the quantity will <u>ALWAYS</u> be 1. Even if Snap-on sells the item in a pack of 10, 12 or 20 etc., this is an SKU package and the quantity is 1.

Flag Labels

If an item is normally shipped with a flag label only, a human readable part number and a bar code will be acceptable. If the item is small such as a drill bit or a driver bit, a flag alone is not acceptable. Small items must be packed in a poly-bag (minimum) to prevent the part from being obscured under a corrugated flap.

Intermediate Container Packaging and Labeling

Occasionally, a container will have intermediate packaging inside. For example, the corrugated master carton holds 144 items. There are 24 intermediate cartons each holding 6 SKU items. And, of course, each individual SKU item has its own packaging.

Labeling of intermediate packaging must include the following information.

Label is not to scale. Size to fit package. Must remain readable.

| *INTERMEDIATE PACK* | | | | |
|---------------------|--------|--|--|--|
| Part Number: | OEX10B | | | |
| | | | | |
| Description: | Wrench | | | |
| Quantity: | 50 | | | |
| | | | | |

The Container or Master Pack and ASN Labeling

The container or master pack must carry the information on the label sample on the next page. The ASN number may not be required at this time.

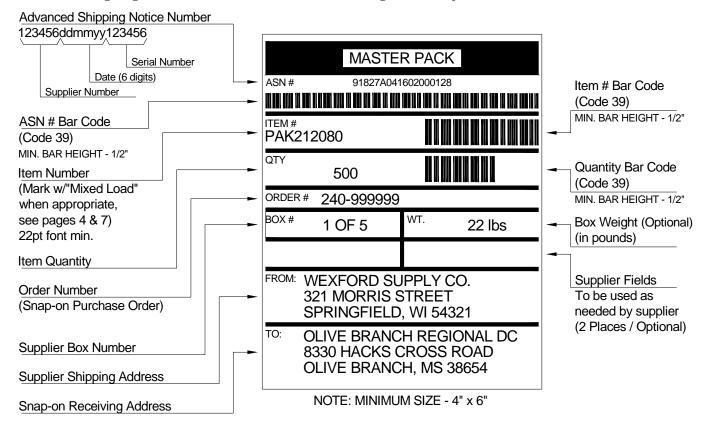
As suppliers are added to the web-based POnet purchasing system, an ASN number will be a requirement. The ASN number will be generated by Ponet and you will print it from your web browser to a standard $8\frac{1}{2} \times 11$ piece of paper. If you are on the POnet ordering system the specifications for the labeling of your shipment will be available on the web-site.

- **A.** <u>Common Load</u>: If the box, pallet, or container (box) includes the **same item** in either single or multiple master boxes then there should be **one barcode label** applied to the outside of the box or placed in a **clear plastic pouch** affixed firmly to the box. The barcode label should have the total number of items in the box "240" (or applicable number) in the **Oty field**, along with all other fields filled out completely (see example on next page). In addition, each individual box or package should be identified with the **item number and quantity** (these can be supplier labels or handwritten). If you choose to use a clear plastic pouch for the barcode label, your **packing list must** be placed in the same clear plastic pouch behind the barcode label(s).
- B. <u>Mixed Load</u>: If the box, pallet, or container (box) includes <u>mixed items</u>, all barcode labels should be placed in a clear plastic pouch firmly attached to the outside of the box---do not attach the ASN labels to the individual boxes or packages inside. See page 5 for the proper SKU label. The front barcode label in the pouch (the label our Receiving Department sees first) should have "Mixed Load" in the <u>Item # field</u>. Each mixed item should be packaged suitable for stocking and identified with the <u>item number and quantity</u> (these can be different supplier labels or handwritten). Your packing list must be placed in the same clear plastic pouch behind our barcode label(s).

All suppliers must utilize these labels and procedures to identify product shipped to Snap-on. This label format is used across all Snap-on distribution locations.

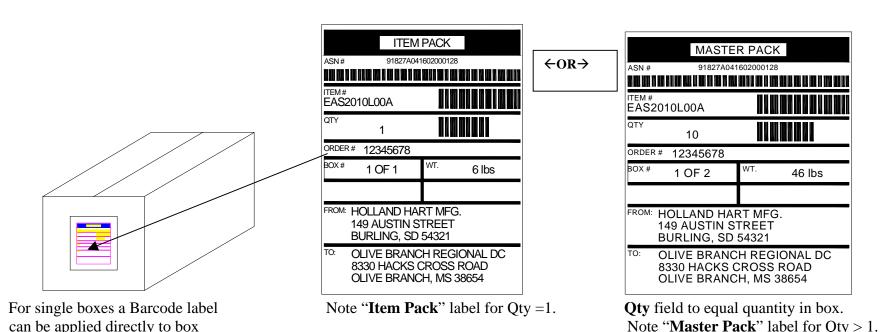
Sample of "Master Pack" ASN Barcode Label created from the POnet system.

(not shown in proper size--- label will be sized to print off your browser



Parcel Deliveries---Loose Boxes or Packages (Same Item):

1) Common Load, Same Item(s) in Box: It is required that each loose box or package has its own ASN barcode label printed off the POnet system. If all the items are the same inside a box, then only one ASN barcode label is required on the outside of the box or package as shown below. For single boxes a barcode label can be applied directly to box. If you choose to use a plastic pouch, your packing list must be placed in the same clear plastic pouch behind the barcode label. Note options of Item Pack versus Master Pack labels based on the quantity in the box. The Item Pack label is used only for a container(s) with a quantity of one. The Master Pack label is used for a container(s) with any quantity greater than one.



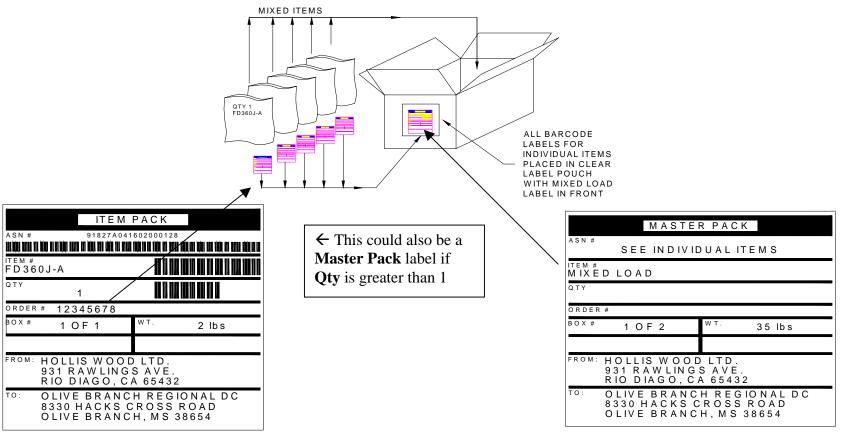
if pouch is used. Affix pouch firmly to box.

or put in a clear plastic pouch. Packing list

must go behind barcode label

Parcel Deliveries---Loose Boxes or Packages (Mixed Load):

2) Mixed Load, Different Items in Box: If the loose box contains mixed items, all barcode labels must be placed loose in a clear plastic pouch firmly attached to the outside of the box---do not attach the labels to the individual boxes or packages inside. The front barcode label in the pouch (the label our Receiving Department sees first) should have "Mixed Load" in the Item # field as shown below. The Mixed Load label should always indicate the number of containers, 1 of 2, 2 of 2, etc. In addition, individual barcode labels for all the boxes with mixed items should be placed loose in the clear pouch behind the Mixed Load label. Also, each mixed item should be packaged suitable for stocking and identified with the item number and quantity (these can be different supplier labels or handwritten). Your packing list must be placed in the same clear plastic pouch behind our barcode labels.

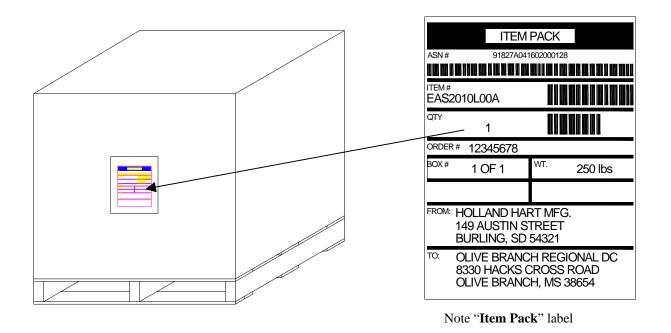


Item # changes for each different item.

Note "Mixed Load" in "Item" field.

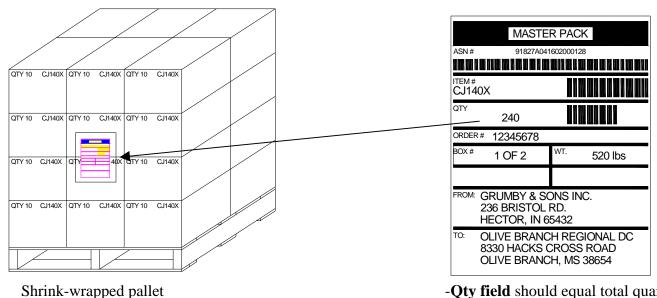
Common Carrier Deliveries—Whole Pallet or Container

1) <u>Common Load, One Item Per Load</u>: If the whole pallet(s) contains **one item**, then there should be **one ASN barcode label** applied to the outside of the pallet. The barcode label should have a "1" in the Qty field, along with all other fields filled out completely (see label example this page). Your **packing list must** be placed in the same clear plastic pouch behind the barcode label.



Common Carrier Deliveries—Whole or Partial Pallets or Containers

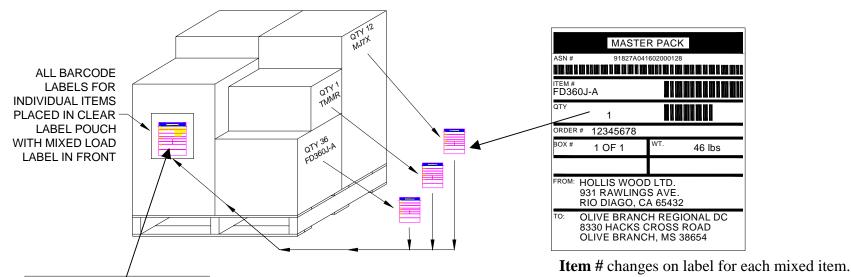
2) Common Load Of Boxes with Same Item: If the pallet(s) or container(s) has the same item in multiple master boxes then there should be **one barcode label** in the clear plastic pouch on the outside of each pallet or container. The barcode label should have the **total number of items** on each pallet in the **Qty field** (in this example 24 boxes times 10 inside each box equals 240). Please ensure all other fields filled are out completely (see example this page). We don't need to know the total number of boxes on each pallet. (Future phase--if there are multiple pallets or containers in the shipment, be sure to list 1 of 2, 2 of 2, etc. in the Box # field). In addition, each box should be identified with the **item number and quantity** (these can be supplier labels or handwritten). Your packing list must be placed in the same clear plastic pouch behind our barcode label(s).



- -Oty field should equal total quantity on each pallet.
- **-(Future phase)** Box # field should reflect the total number of pallets in the shipment, not the number of boxes on each pallet.

Common Carrier Deliveries—Whole or Partial Pallets

Mixed Load (pallet): If the shrink-wrapped pallet has mixed items, all barcode labels should be placed in a clear plastic pouch firmly attached to the outside of the pallet---do not attach the ASN labels to the individual boxes or packages. The front barcode label (the label our Receiving Department sees first) should have "Mixed Load" in the Item # field as shown below. In addition, individual barcode labels for all the boxes with mixed items should be placed loose in the clear pouch behind the Mixed Load label. Also, each box on the pallet should be identified with the item number and quantity on an exposed end (these can be different supplier labels or handwritten). Your packing list must be placed in the same clear plastic pouch behind our barcode labels.



MASTER PACK

ASN # SEE INDIVIDUAL ITEMS

ITEM # / MIXED LOAD

QTY

ORDER # BOX # 1 OF 2 WT. 500 lbs

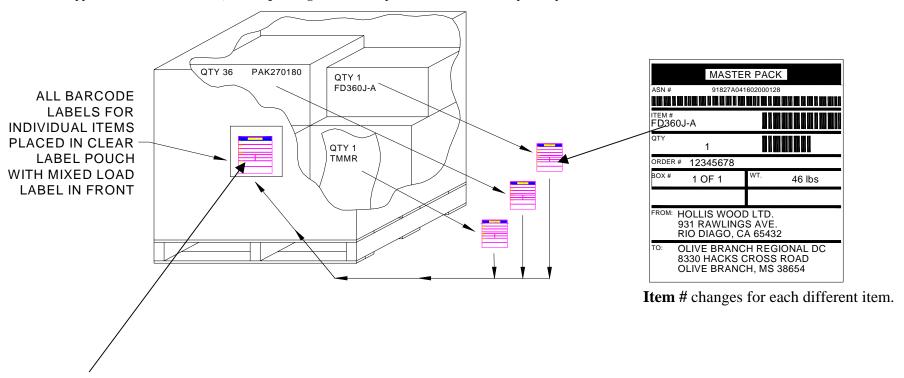
FROM: HOLLIS WOOD LTD. 931 RAWLINGS AVE. RIO DIAGO, CA 65432

TO: OLIVE BRANCH REGIONAL DC 8330 HACKS CROSS ROAD OLIVE BRANCH, MS 38654

Note "Mixed Load" in "Item #" field. (Future phase: The Box # field should reflect the total number of pallets, not the number of boxes per pallet).

Common Carrier Deliveries—Whole or Partial Containers

- 4) **Mixed Load (container)**: If the container has mixed items, **all barcode labels** should be placed in a **clear plastic pouch** firmly attached to the outside of the container--**do not attach the ASN labels to the individual boxes or packages**. The front barcode label (the label our Receiving Department sees first) should have "**Mixed Load**" in the <u>Item # field</u> as shown below. In addition, **individual barcode labels** for all the boxes with mixed items should be **placed loose** in the clear pouch **behind** the Mixed Load label. Also,
 - each box in the container should be identified with the <u>item number and quantity</u> on an exposed end (these can be different supplier labels or handwritten). Your **packing list must** be placed in the same clear plastic pouch behind our barcode labels.



| MASTER PACK | | | | | | |
|--|---|-------------|--|--|--|--|
| ASN# | N# SEE INDIVIDUAL ITEMS | | | | | |
| ITEM # MIXED LOAD | | | | | | |
| QTY | | | | | | |
| ORDER | ORDER # | | | | | |
| вох# | 1 OF 2 | WT. 500 lbs | | | | |
| | | | | | | |
| FROM: HOLLIS WOOD LTD. 931 RAWLINGS AVE. RIO DIAGO, CA 65432 | | | | | | |
| TO: | OLIVE BRANCH REGIONAL DC 8330 HACKS CROSS ROAD OLIVE BRANCH, MS 38654 | | | | | |

Note "Mixed Load" in "Item" field. The Box # field should reflect the total number of pallets, not the number of boxes per pallet.