Snap-on Tools

Packaging Specification

For Shipments to Snap-on Distribution Centers in:

Olive Branch, Mississippi Crystal Lake, Illinois Robesonia, Pennsylvania Carson City, Nevada Calgary, Canada

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.

Table of Contents:

Bar Code Label Certification Program	Page 3.
Questions Regarding this Specification	Page 4.
Individual Item Packaging and Labeling (SKU)	Page 5.
Intermediate Container Packaging and Labeling	Page 6.
The Container or Master Pack and ASN Labeling	Page 7.
Sample of Master Pack Barcode Label	Page 9.
Parcel Deliveries	Page 10
Common Carrier Deliveries	Page 12

Bar Code Label Certification Program

Snap-on Distribution Group utilizes 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: John Doogan Snap-on Tools Crystal Lake Distribution Center 3011 East Route 176, Door 14 Crystal Lake, IL 60014 John.R.Doogan@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:

- 1) information that matches this specification, and
- 2) 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 for product labels, please contact:

Jim Stebbins
Snap-on Tools Crystal Lake Distribution Center
3011 East Route 176, Door 14
Crystal Lake, IL 60014
James.stebbins@snapon.com

If you have questions on product packaging, please contact your Snap-on Product Manager.

Please note: All packing issues identified by our distribution centers will be forwarded to the appropriate Snap-on product manager. In the event a supplier packing issue is identified, the Snap-on product manager will advise the supplier and the supplier will be required to submit a corrective action plan and timetable for implementation.

Individual Item Packaging and Labeling (SKU)

Snap-on expects that each supplier will package the product to protect it from transit and handling damage, while inbound to our distribution centers or directly to our customers, reshipment to our customers from our distribution centers and while on the Snap-on Franchisee van. Suppliers must keep in mind that your products will ship from our distribution centers with a wide variety of other items of varying shapes and weight. Your package must protect your product in this environment. Please follow these guidelines:

- 1. No clamshells.
- 2. Finished packaged size should be proportionate to the product.
- 3. Finished packages must remain rigid and maintain their intended shape throughout the entire supply chain. Packaging must not bend or bow, delaminate, loose shape, crease, bulge, bubble, warp or develop defects while in the supply chain or while on display on the Franchisee van.
- 4. Packaging must protect the product from both structural and cosmetic damage.
- 5. Corrugated or chipboard packaging is to be based on American Society for Testing and Materials (ASTM) D5639 / D5639M Standard Practice for Selection of Corrugated Fiberboard Materials and Box Construction Based on Performance Requirements. Evidence of meeting this standard is to be presented to the product manager.
- 6. Every package must include the Snap-on part number and country of origin.
- 7. Products weighing more than 35 lbs. must be marked with a black and white square label indicating Heavy Over 35 lbs.
- 8. Products weighing more than 50 lbs. must be marked with a black and white square label indicating **Team Lift Over 50** lbs.
- 9. Repair parts and or individual tools may be packaged in sealed plastic bags provide the product retains it shape and original finish.
- 10. All packing must be approved by the product manager. At the direction of the product manager, supplier may be required to provide International Safe Transit Association (ISTA) test results.
 - a. ISTA standard 1A for products less than 150 lbs. for products that Snap-on will ship in a mixed load
 - b. ISTA standard 3A for products less than 150 lbs. for products that could be shipped via UPS as the primary shipping carton
 - c. 3B for products greater than 150 lbs. that are shipped LTL.
- 11. If you, the supplier, receive our PO from Snap-on via the SupplyWEB portal, then a 'shipper' document must be created on the portal and the 'SupplyWEB" packing must also be included with each shipment. The SupplyWEB packing slip should be printed while the 'shipper' is open on your screen. The tracking #, carrier and your invoice # (or any other unique # you can reconcile payment with) must be populated on the shipper. Once all the details are completely filled in, 'PUBLISH' the shipper by pressing the "PUBLISH' button at the bottom of the shipper document in SupplyWEB. The SupplyWEB packing slip should be placed in a sleeve in front your company packing slip and placed on the outside of Box #1. All boxes need to be clearly marked box 1 of 3, 2 of 3, 3 of 3 etc. When product is physically received into our warehouse, we will initiate payment to you, including the invoice # you provided on the SupplyWEB shipper, at payment terms. Detailed training materials for SupplyWEB, can be found on the login page of SupplyWEB by navigating to https://supplyweb.snapon.com.

Labeling for individual items must include the following information. *Add a serial number and a bar code to the label* only if your product has a serial number. If you are receiving PO's via SupplyWEB, a SupplyWEB generated packing slip is required, see page 7.

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 and scanable.

INTERMEDIATE PACK		
Part Number:	OEX10B	
Description: Quantity:	Wrench 50	

The Container or Master Pack and ASN Labeling

Master cartons for common products must follow these guidelines:

- 1. Corrugated packaging is to be based on ASTM D5639 / D5639M Standard Practice for Selection of Corrugated Fiberboard Materials and Box Construction Based on Performance Requirements. Evidence of meeting this standard is to be presented to the product manager.
- 2. All master cartons must be approved by the product manager and require ISTA test results.
 - a. ISTA standard 3A for cartons less than 150 lbs.
 - b. ISTA standard 3B for products greater than 150 lbs. that are shipped LTL.

- 3. Products weighing more that 35 lbs. must be marked **Heavy Over 35 lbs**.
- 4. Products weighing more that 50 lbs. must be marked **Team Lift Over 50 lbs.**

Master cartons for mixed load products must follow these guidelines:

- 1. Corrugated packaging is to be based on ASTM D5639 / D5639M Standard Practice for Selection of Corrugated Fiberboard Materials and Box Construction Based on Performance Requirements. Evidence of meeting this standard is to be presented to the product manager.
- 2. Products weighing more that 35 lbs. must be marked **Heavy Over 35 lbs**.
- 3. Products weighing more that 50 lbs. must be marked Team Lift Over 50 lbs.

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

<u>Common Load</u>: If the box, pallet, or container (box) includes the **same item** in either single or multiple master boxes. In addition, each individual box or package should be identified with the **item number and quantity** (these can be supplier labels or handwritten). The SupplyWEB generated packing list should be placed in a clear plastic pouch, your **packing list must** be placed in the same clear plastic pouch behind the SupplyWEB packing List. The ASN # and bar code image should be visible in the front.

<u>Mixed Load</u>: If the box, pallet, or container (box) includes <u>mixed items</u>, See page 5 for the proper SKU label. The front packing slip in the pouch (the label our Receiving Department sees first) should be the SupplyWEB packing slip. Your **packing list must** be placed in the same clear plastic pouch behind the SupplyWEB packing list.

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.

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

<u>Common Load, Same Item(s) in Box</u>: It is required that each loose box or package has a SupplyWEB packing slip affixed to the outside in a clear pouch. If all the items are the **same** inside a box, then **only one** SupplyWEB Packing slip is required on the outside of the box or package. Your **packing list must** be placed in the same clear plastic pouch behind the SupplyWEB packing list.

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

Mixed Load, Different Items in Box: The shipping containers should always indicate the number of containers, 1 of 2, 2 of 2, etc. The SupplyWEB packing list should be placed on the outside of the 1st container in plastic sleeve. Your packing list should be placed behind the SupplyWEB packing list in the sleeve. 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).

Common Carrier Deliveries—Whole Pallet or Container

Whole pallet loads must follow these guidelines:

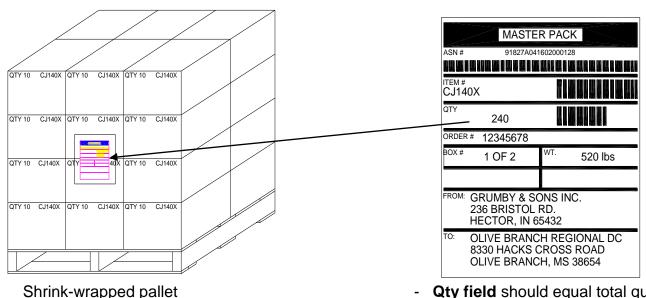
- 1. All pallets must be made of good quality hardwood. Cardboard and particle board pallets are not acceptable.
- 2. Use 40" x 48", 4-way access pallets.
- 3. Full pallet loads must not exceed 48", half pallet loads must not exceed 24" and quarter pallet loads must not exceed 12" from the top of the pallet. Any pallet load that exceeds this requirement must be approved by the product manager before shipment.
- 4. Total pallet weight must not exceed 2,500 lbs.
- 5. Pallet loads must be engineered to double-stack inbound to Snap-on whenever doing so optimizes freight efficiencies.
- 6. Rigid corner posts (no steel) recommended on all four corners of the pallet extending full length top to bottom.
- 7. Pallet contents must not overhang the pallet edge.
- 8. All pallets must be secured with stretch wrap and completely hold the product to the pallet to prevent shifting during transit. Colored stretch wrap can be used, but label must be on the outside.
- 9. If you are on 'SupplyWEB, please place the SupplyWEB packing slip on the outside of the shrink wrap on pallet #1.

Common Load, One Item Per Load: If the whole pallet(s) contains one item, then there should be one SupplyWEB generated packing list applied to the outside of the pallet. Your packing list must be placed in the same clear plastic pouch behind the SupplyWEB packing list for any shipment container and affixed to the pallet outside the shrink-wrap.

Note "Item Pack" label

Common Carrier Deliveries—Whole or Partial Pallets or Containers

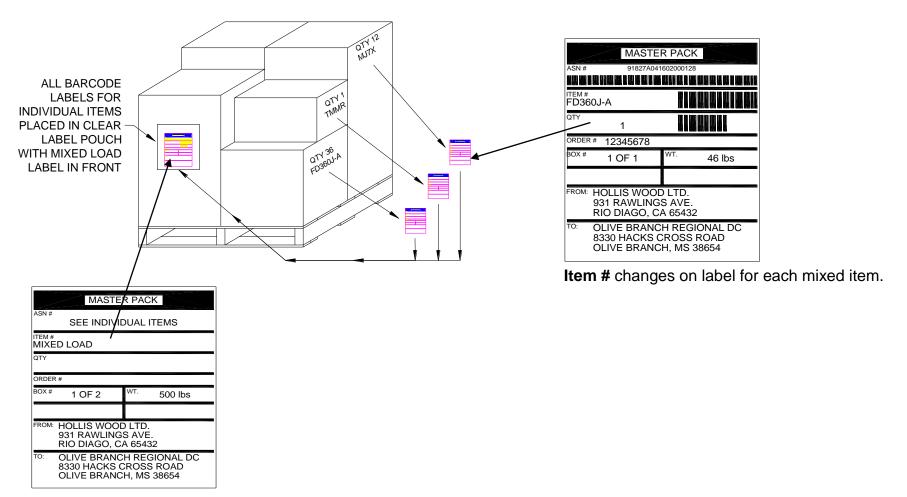
Common Load Of Boxes with Same Item: If the pallet(s) or container(s) has the same item in multiple master boxes then there should be one barcode label in the clear plastic pouch on the outside of each pallet or container. The barcode label should have the total number of items on each pallet in the 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).



- **Qty 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

<u>Mixed Load (pallet)</u>: 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 <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 on the pallet should be identified with the <u>item number and quantity</u> on an exposed end. Your packing list must be placed in the same clear plastic pouch behind our barcode labels.

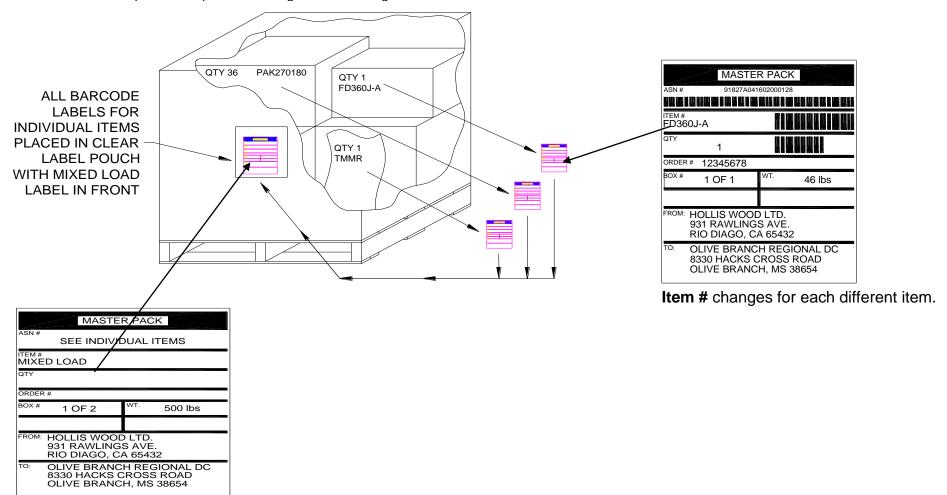


Note "Mixed Load" in "Item #" field. (Future phase: The Box # field should reflect the total number of pallets, not the number of boxes per pallet).

Common Carrier Deliveries—Whole or Partial Containers

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 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 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 the barcode labels. IF you receive our PO via SupplyWEB, the SupplyWEB packing list MUST also e included in the clear plastic behind your packing list. The shipper must be 'PUBLISHED' prior to the product arriving at our receiving doors.



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