

Logistics Guideline



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1. Purpose and scope of application

The purpose of this Logistics Guideline is to inform suppliers about the various requirements of Oechsler, to ensure an efficient and trouble-free flow of materials.

Unless any other contractual agreements have been made, this guideline shall be binding between the Supplier and Oechsler. The subsidiary shall also be subsequently referred to as Oechsler.

Should the Supplier be unable to deliver the goods according to instructions, Oechsler needs to be accordingly informed prior to delivery.

2. Packaging

2.1. General

Goods must be delivered in a packaging previously agreed upon and released by the Supplier and Oechsler.

Deliveries of goods supplied in packaging other than the agreed one require a deviation permit from Oechsler. In the case of a shortage of empties, any non-conforming packaging (emergency packaging) is to be previously defined per article.

If the defined packaging standard is not complied with by a fault of the Supplier, Oechsler reserves the right to charge any costs arising from handling and repackaging as well as costs incurred by storage, disposal and recycling of packaging material to the account of the Supplier.

As a general rule, packaging or components thereof must not contain any polyurethane (PU) foam or amines.

By using appropriate packaging and suitable load unit and transport securing means, the Supplier must, at any rate, ensure that the goods arrive at their destination in proper condition.

The Supplier shall be liable for any deterioration in quality caused by damaged, defective, wet, soiled packaging or packaging otherwise impaired.

Prior to effecting series deliveries, the approval of the departments Logistics/Incoming Goods Inspection is to be obtained. Unit packs (cartons) must be loadable up to 30 kg (min.: double-wall corrugated board). On principle, if goods are delivered unpacked, they will not be accepted. The same applies also to bulk material such as screws/bolts, plastic parts, etc.

2.2. Designation of containers

To depict the handling unit for the various container types, the respective dimensions are entered and updated in the Oechsler SAP-system.

As soon as a new container type is required for a project, or if a supplier-specific container type is not listed, such type needs to be uniquely entered and updated in the Oechsler-system to allow project processing.

Changes are made by Oechsler only.

Packing material	Abbreviation	Packing Material No.	Length (mm)	Width (mm)	Height (mm)
Euro pallet	EU	400480	1200	800	
Rau box	RB	400065	1200	800	1000
Wire mesh pallet	GP	400415	1240	840	970
Oechsler Euro container brown small	OE2	401540	400	300	170
Oechsler Euro container brown large	OE1	401550	600	400	320

2.3. Packaging dimensions

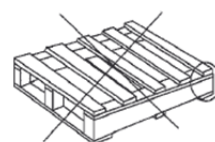
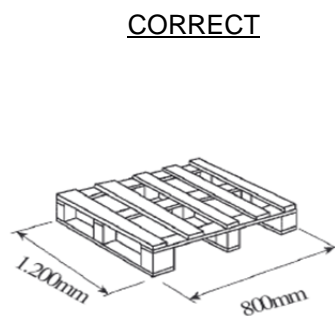
Volumes and weights		Packing unit	Load unit
Maximum weight of goods shipped in sacks		25 kg	
Maximum weight of container / carton		15 kg	
Maximum dimensions for returnable packaging	L	600 mm	1200 mm
	W	400 mm	800 mm
	H	400 mm	1100 mm
Maximum dimensions for non-returnable packaging	L	600 mm	1200 mm
	W	400 mm	800 mm
	H	400 mm	1100 mm

Other weights and dimensions are only possible after prior agreement with the Logistics department.

2.4. Load unit

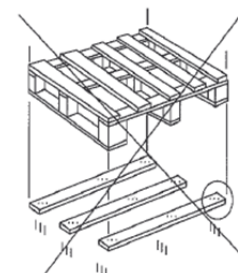
2.4.1. Pallets

Pallets must comply with the criteria of exchange of the European Pallets Pool and their design must conform with the illustration under „CORRECT“. Pallets having other designs or dimensions require the prior approval from Oechsler.



Half size pallet

INCORRECT



Pallet with stringers on all sides – 3 additional bottomboards attached from below, as shown

It must be possible to handle the whole load unit from the front side by means of floor conveying equipment.

Entry width: 710 mm

Entry height: 100 mm

Maximum height of loaded pallet: 1100 mm.

The minimum filling level per pallet is a complete layer of packing units. If it is not possible to load the pallet over the full area, the layer is to be either completed with empties or otherwise brought to a condition ensuring safe load handling and transport.

Special and oversize pallets are not allowed.

2.4.2. Stacking containers onto pallets

Load units are to be created by stacking unit packs in compound arrangement onto the pallet.

Wherever possible, layers must cover the whole pallet area. If it is not possible to load the pallet over the whole area, the layer is to be completed with empties.

As a rule, deliveries are to be made in unit packs containing material of a single type grade and batch.

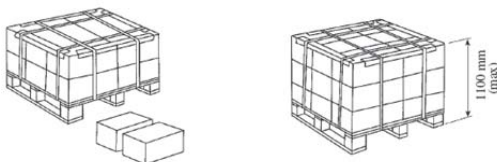
If, in the case of small order quantities, it is not possible to form complete load units, containers with different material numbers may be packed together in a mixed pallet. A prerequisite for this is that the individual packages are put together per material number and identified separately, and that the collective load unit is identified as a mixed pallet. This identification note is to be attached to the front side of the pallet in a well visible place.

A maximum of one (1) separately identified mixed pallet is permissible per delivery.

The basic dimensions of the pallet (800 x 1,200 mm) must not be exceeded by the load. Excess heights or widths are not permissible.

Raw materials or inserts must not be packed into skeleton containers!

CORRECT



INCORRECT



Maximum stacking height:

EG 4317 (OE2) 6 layers

EG 6432 (OE1) 3 layers

It is not allowed to mix different delivery note numbers within a single layer. If necessary, transport pallets covered by one (1) delivery note may be built up by using a transport-safe end cover for double-lifting to optimize transport.

2.4.3. Sealing and fastening

Bulk material is to be filled into polyethylene bags and sealed. Non-bulk-material has to be sealed with cardboard cover lids or empty inner packaging.

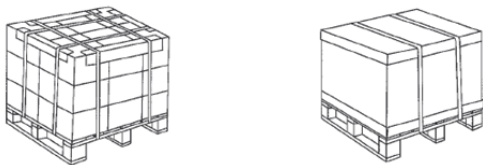
Cartons are to be sealed with adhesive tape, and load units must be strap-fastened with plastic bands. Stretchwrap film and steel or metal bands are not allowed.

(Exception: steel bands are permissible for the transport of tools)

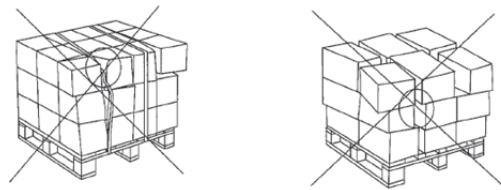
Load units consisting of a pallet and layers of cartons are to be strapped in two directions.

Tightening straps must under no circumstances cut into the layers of cartons. Where it is necessary to protect the load, corner reinforcements are to be used. During packaging planning it is to be determined whether or not it is necessary to use load cover lids.

CORRECT



INCORRECT



2.5. Returnable packaging (reusable packaging)

2.5.1. Normal case

As a general rule, Oechsler's returnable packaging is to be used for transports within Germany. It is neither permitted to stick labels onto returnable packaging nor to mark it with letters!

Packaging materials passed on to the Supplier by Oechsler must not be used for

- internal circulation in production processes at the Supplier;
- intermediate storage of semi-finished products;
- storage at the Supplier's premises beyond the purpose of current delivery call-offs;
- for deliveries to sub-suppliers (possible only with Oechsler's approval).

The Supplier is 100% responsible for procuring the inner packaging and for having the appropriate quantities for the start and series production available in time. As regards the outer packaging, the Supplier and Oechsler will, on a pro rata basis, procure the quantities required for the packaging cycle in accordance with the circulation proportions determined in volume planning. The Supplier shall procure its circulation proportion from a packaging manufacturer designated by Oechsler or agreed upon between Oechsler and the Supplier. To furnish the proof that the Oechsler returnable packaging has been procured and delivered, Oechsler is to receive a copy of the corresponding delivery note. At Oechsler, the quantity will then be booked as an addition to the stocks held at the Supplier.

The Supplier shall ensure that the returnable packaging held on its premises is always in good condition and ready for use and shall repair it, if necessary. Returnable packaging which is not in good working order must neither be used for deliveries to Oechsler nor to a company commissioned by Oechsler, but has to be accordingly marked and separately returned to Oechsler. Oechsler will then dispose of such returnable packaging not suitable for further use. The disposal costs will be fairly charged to the party that caused the impairment. Packaging material is then suitable for use if, apart from outer signs of use, it shows no further damage and if the bought-in parts to be delivered with it do not suffer in quality as a result of its further use.

The supplier has to agree with Oechsler beforehand the procedure to use returnable packaging.

As a matter of principle, the Supplier, by using the order form (Annex 1), has to call off the empties from Oechsler 10 work days before they are needed. Annex 1 is valid only for locations in Germany.

2.5.2. Supplier-owned returnable packaging

If the Supplier uses its company-own returnable packaging, this must be agreed upon with Oechsler as a matter of principle. The Supplier shall be responsible for procuring the returnable packaging required for the entire packaging cycle.

Oechsler shall be obliged to treat the provided returnable packaging properly and to return it, carriage forward, to the Supplier after it has been emptied. Any reductions in value caused by normal wear shall be borne by the Supplier.

2.5.3. Loaned packaging accounts

Loaned packaging accounts with the Supplier which already exist are to be accordingly adapted when new acquisitions are made. For this purpose, in order to adjust the loaned packaging accounts, an inventory check is performed once a year. Replacement of missing quantities is to be agreed upon between the Supplier and Oechsler. Returnable packaging additionally delivered to the Supplier, or quantities of returnable packaging acquired by self-participation, are initially booked to the appropriate loaned packaging account as additions to stocks held by the Supplier. The delivery note must contain the following details:

- The Supplier's loaned packaging account number at Oechsler
- Oechsler packing material number
- Total number of unit packs

All additions and withdrawals of returnable packaging are entered in the loaned packaging accounts at Oechsler. Returnable packaging (filled with goods) supplied to Oechsler with a delivery note is considered to be additions. Returnable packaging (empties) which leaves Oechsler with a delivery note is considered to be withdrawals. Additions are booked on the basis of the delivery note or delivery note advice, withdrawals are booked on the basis of the delivery note accompanying the empties.

Both on 30th June and 31st December every year, and/or whenever requested by Oechsler, the Supplier has to balance the loaned packaging accounts. To this end, the Supplier shall request the movement data of the Oechsler loaned packaging account from the Oechsler's empties management function or from a company authorized by Oechsler and shall, on the key date (on days without movements), perform a physical stock check of the returnable packaging. The results of the stock-check and account balancing are to be submitted to Oechsler within 14 days of the stock-check. If necessary, differences in the inventory can be rectified by making corrective bookings in the Oechsler and Supplier loaned packaging accounts.

For this purpose, the delivery notes are to be compared. In this connection, only those delivery notes will be considered which contain packaging details in compliance with the Oechsler Logistics Guideline.

Any losses are to be replaced by the party responsible for the loss. If the Supplier does not carry out an account balance within six months, the inventory data in the Oechsler loaned packaging account will be fixed

and are then deemed to be accepted by the Supplier. The Supplier shall be responsible for losses in the stocks of the loaned packaging account. Losses shall be made up exclusively at the Supplier's cost. In this connection, the period starting from the date of the last account balance up to the present date is to be considered.

Losses are considered to be those missing quantities of returnable packaging which are larger than the normal rate of loss planned by the Supplier. The basis for establishing losses of returnable packaging in circulating stocks is the balancing of the inventory data and loaned packaging accounts of the Supplier with the loaned packaging accounts maintained by Oechsler. Losses are to be replaced by the party responsible for the loss.

2.6. Non-returnable packaging (one-way packaging)

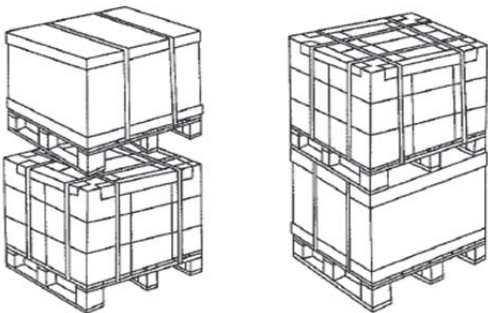
The use of cartons/non-returnable packaging requires Oechsler's express permission in writing.

It is the responsibility and at the expense of the Supplier to procure sufficiently stable, stackable non-returnable packaging ensuring adequately secured load and safe transport.

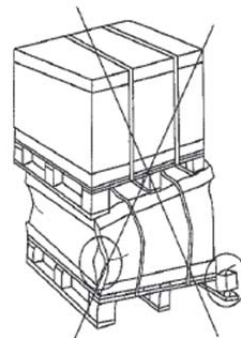
If the use of returnable packaging has been agreed upon and the delivery is effected in non-returnable packaging, the parts delivered in non-returnable packaging (outer packaging) will be repacked into Oechsler returnable packaging at the time when the goods are taken in by Oechsler or a company commissioned by Oechsler. Every operation of repackaging a small load carrier shall be charged to the Supplier at an amount of 1.20 €

Incomplete layers of cartons and load units that cannot be stacked as well as pyramids of cartons are not permissible.

CORRECT



INCORRECT



No cartons with 500 kg, but 1,000 kg per pallet!

3. Identification of load carriers

This specification describes the Oechsler standard for producing barcode goods labels and how these labels are attached to packaging. Labeling is necessary in order to improve productivity and material control by means of efficient data acquisition, e.g., for incoming goods, storage, withdrawals, etc.

Therefore, the following points are to be strictly observed by all Suppliers.

3.1. Goods labels VDA

The Supplier shall identify all shipping units unambiguously by means of a master goods label (Master label, HWA) attached to the face side of the pallet. This label is to indicate the contents, the number of unit packs, and the quantity of parts.

Example: Label as per VDA Standard 4902

(1) Warenempfänger		(2) Abladestelle – Lagerort – Verwendungsschüssel		
(3) Lieferschein-Nr. (N)		(4) Lieferantenanschrift (Kurzname, Werk, PLZ, Ort)		
		(5) Gewicht netto	(6) Gewicht brutto	(7) Anzahl Packstücke
(8) Sach-Nr. Kunde (P)				
(9) Füllmenge (Q)		(10) Bezeichnung, Lieferung, Leistung		
		(11) Sach-Nr. Lieferant (30 S)		
(12) Lieferanten-Nr. (N)		(13) Datum		(14) Änderungsstand Konstruktion
(15) Packstück-Nr. (S)		(16) Chargen-Nr. (H)		
(17)		Warenhänger VDA 4902, Version 3		

Moreover, in order to identify the freight, a secondary goods label is to be attached to each single packing unit.

Master label and secondary goods label are to be used in accordance with current VDA standard (or Odette Standard).

The goods label must be attached to the face side in a position well visible from the outside and must neither protrude over the outer contour of the packaging nor overlap with other labels. The ability of the labels to withstand influences of the environment and stresses of transport must be such that the goods label can be read at the destination both manually and by machine. The labels may only be attached in label pockets provided for this purpose or by means of adhesive dots.

Moreover, when deliveries are made in returnable containers, all old labels must be completely removed and/or made illegible so that the identification of the packing units can clearly be read.

Every returnable packaging is identified by a 6-digit Oechsler packing material number. This number is to be applied for from Oechsler.

All barcoded fields should contain identifiers. The identifier must follow in the first position after the start character of the barcode and serves to identify the following information. This identifier becomes visible only upon scanning.

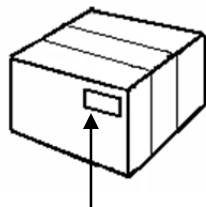
The goods label VDA must contain the following data!

Field number	Field name / Data element	Barcode identification
1	Recipient of goods	
2	Location of unloading – place of storage – usage key	
3	Delivery note No.	N
4	Supplier address (abbreviated name, works, ZIP code, place)	
5	Net weight	
6	Gross weight	
7	Total quantity of packing units	
8	Customer's item No.	P
9	Filling quantity	Q
10	Designation, delivery, service	
11	Supplier's item No.	30 S
12	Supplier No.	V
13	Date	
14	Design revision level	
15	Package unit No.	8
16	Batch No.	H
17		

3.2. Attaching the goods labels

Application 1

Containers or cartons

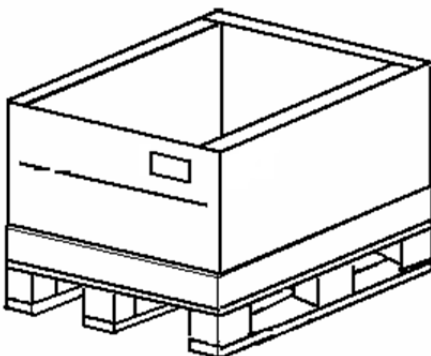


The goods label must be attached to the front side.

Barcode – goods label

Application 2

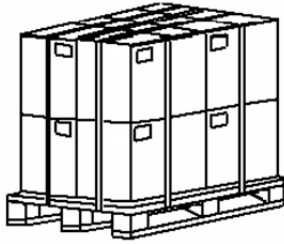
Pallet boxes



The goods label must be attached to the front side in the upper third.

Application 3

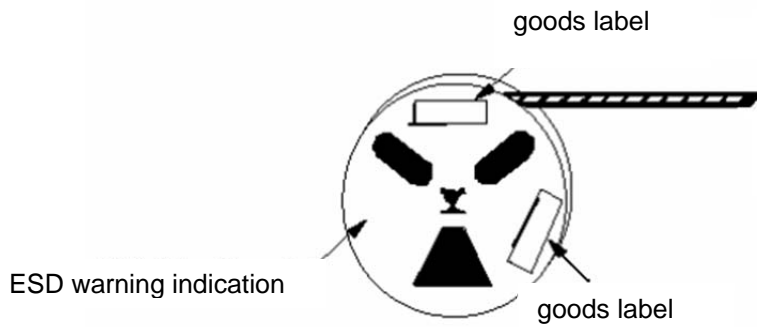
Cartons on pallets



A goods label must be attached to each carton

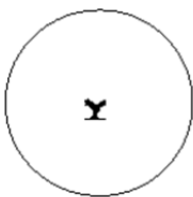
Application 4

Reels - standard



Application 5

Cardboard (only reel)



Application 6

Small reels

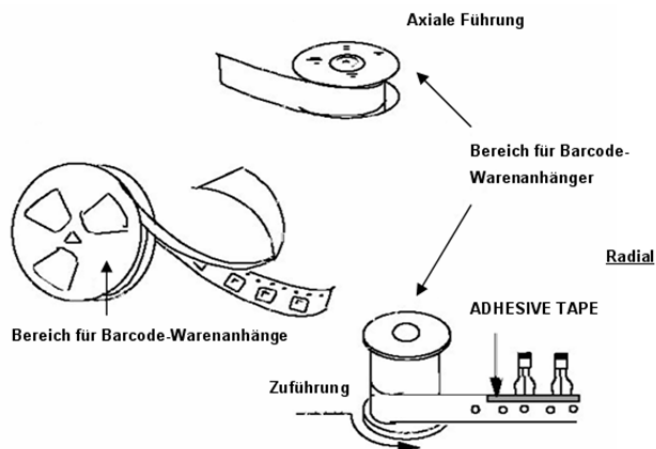


Barcode goods labels must be applied on a flat surface to prevent damage to the label and to increase legibility.

All reels must be placed so that the tape can be unrolled from the top right. The goods labels must be visible to the operator.

Application 7

Feed directions



How to attach goods labels to dry packs

The specified goods labels are to be applied to reels packed in dry packs and to the dry pack itself. The Supplier has to ensure that at least one (1) Oechsler goods label is attached to the reel.

Note:

If reels are dry-packed without Oechsler goods label(s), Oechsler requires the use of a detachable goods label on the dry pack, which, after opening of the dry pack, can then be applied to the reel.

Materials on reels

Barcode goods labels have to be applied onto a flat surface in order to prevent the goods label from getting damaged and to ensure legibility of the information they contain.

Goods labels on reels should be placed in a way such that they are well visible for the operators unrolling the reels.

Containers and shipping units (when using returnable packaging)

All goods labels must be applied to returnable packaging in a way such that they can be removed without leaving any residues. If this provision is not complied with, the Supplier shall bear all costs incurred by cleaning the returnable packaging.

Batch traceability

Should, in connection with batch traceability, individual parts require a batch number to be indicated, each batch number must be packed separately.

4. Delivery

4.1. Delivery date / Goods receipt times

To optimize a smooth flow of incoming goods that can be optimally planned, it is necessary that the delivery times indicated on the purchase order or call-off schedule, or the week day agreed upon with Oechsler, are/is strictly adhered to.

Goods destined for our Ansbach facility are accepted from Mondays to Fridays from 6.00 a.m. to 17.00 p.m.; in our Weissenburg facility goods can be received from Mondays to Thursdays from 6.00 a.m. to 16.00 p.m., and Fridays from 6.00 a.m. to 12.00 a.m. and in our Lipova facility from Monday to Friday from 07.00 a.m. to 17.00 p.m. Regular deliveries have to be made within these time windows. The aim is to agree fixed delivery times with the Supplier. In exceptional cases, deliveries may also be made – after prior agreement with Oechsler – outside these times.

When accepting deliveries, Oechsler will treat those suppliers with priority that keep to their delivery times.

4.2. Outer dimensions and weight

For a load unit, the following dimensions shall apply: L 1200 mm x W 800 mm x H max. 1100 mm. The maximum weight per Euro-pallet is: 1000 kg. For deliveries made by intra-European suppliers, Euro-pallets in perfect condition are to be employed as a matter of principle; they allow fastening of pallet clips containing barcode marking, which otherwise cannot be processed automatically by scanner operation. Because of a 100% contour check system integrated in the automatic high-bay warehouse, the indicated dimensions per load unit are to be strictly observed.

The following maximum stacking heights are permissible:

EG 4317 (OE2) 6 layers
EG 6432 (OE1) 3 layers

Deliveries of raw materials are stored in a pallet warehouse. The maximum dimensions of a good bearing and stable load unit that can be entered from the front side are as follows: L 1200mm x W 1000mm x H 1100mm. Maximum weight per pallet: 1,250 kg.

4.3. Information and documents accompanying the shipment

The supplier must ensure that the goods are accompanied by an EDI / RDT / DFÜ accompanying document as per current VDA standard.

Alternatively, the supplier can use delivery notes and shipping orders in accordance with the current VDA recommendations.

Only one (1) copy of the delivery note must accompany the shipment. Delivery notes must neither be fastened to the goods nor packed in together with the goods. All documents accompanying the shipment (delivery note, certificates, etc.) are to be given over to the forwarding agent in a sealed envelope together with the shipment and, upon delivery, handed over to Oechsler or the logistics service provider commissioned by Oechsler. Exception: In the case of shipments carried out by parcel services or the German Federal Railway, all papers accompanying the shipment (delivery notes, certificates, etc.) have to be attached to the outside in an appropriate PE pocket.

Delivery notes must contain the same details as the master goods label. In addition, each delivery note must indicate the corresponding purchase order number for each material number. One (1) delivery note is to be used per material number. It is not allowed to deliver several material numbers with only one delivery note.

It is always necessary to clearly indicate both the type of packaging (e.g., KLT 3147, 4147) and the packing units per delivery note item. A complete list of the item numbers applicable for Oechsler's returnable packaging may be requested from Oechsler.

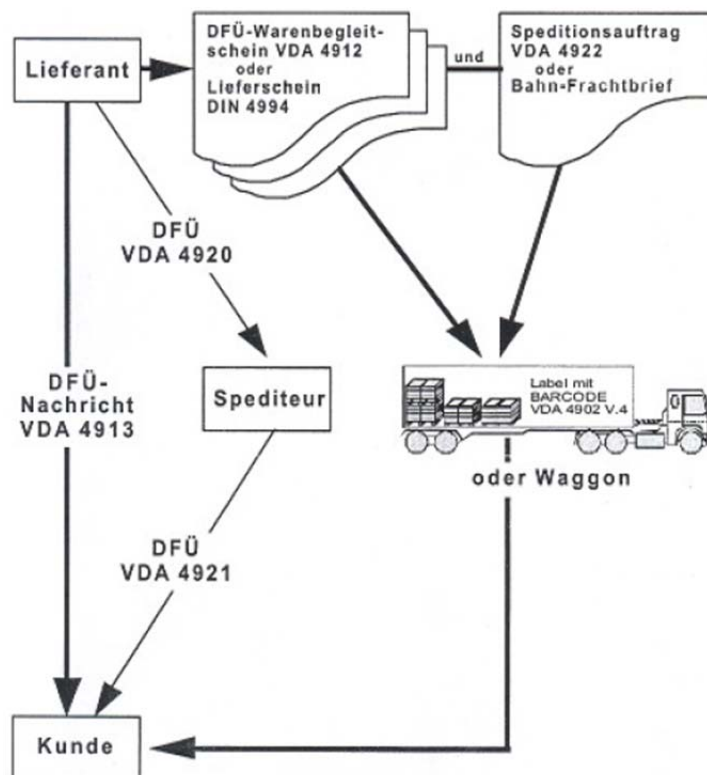
The following details must be indicated on the delivery note:

- Oechsler material number
- Item number of the Oechsler purchase order
- Oechsler packing material number
- Total number of unit packs per batch
- Total number of unit packs
- Total piece quantity per batch
- Total piece quantity of all the batches delivered
- Identification of residual or mixed pallets with precise details

Besides, the details on the delivery note must be indicated in a way verifiable by Oechsler, i.e., for example:

- The number of cover sheets and IMD foils is to be indicated in rolls, not in pieces
- Cardboard inserts are to be indicated in kilograms, not in pieces

All delivery notes belonging to the shipment are to be indicated on the forwarding order and must be attached as enclosure. Likewise, all other accompanying papers required (customs documents such as EUR1, T1, etc.) are to be enclosed.



If the delivery instructions are not complied with (investigation efforts are necessary as the Oechsler material number, revision level, etc., is missing), Oechsler will raise a logistics complaint. Oechsler reserves the right to raise further claims. Furthermore, such complaints will find consideration in our supplier assessment.

5. Transport

Unless otherwise agreed, deliveries to Oechsler shall be effected DDP / DAP (according to the applicable Incoterms 2010) to the place of receipt indicated by Oechsler in each case.

If it is agreed with Oechsler to use for pallet deliveries under Incoterm EXW it will be used in exclusivity the Oechsler customer number 107094 as follows:

National: Schenker Nürnberg, Bremerhavener Str. 25, 90451 Nürnberg,
Department of Process Management, Phone: 0911 – 96 32 444

International: Schenker Nürnberg, Kohlenhofstraße 3, 90443 Nürnberg,
Department Customer Service, Phone: (+49) 9134 – 20 05 444

Romania: Müller Kurier & Logistik, Ziegeleistraße 8, 91572 Bechhofen (Bayern)
Tel. (+49) 9822 - 10923

Transport costs incurred through a fault of the Supplier (premium freight caused by a delay in delivery, return deliveries due to early or excess deliveries) will be charged to the Supplier's account.

The Supplier shall ensure that all forwarders commissioned by it use only vehicles having adequate means and components for load securement, so that the goods arrive in proper condition at the place of delivery. If goods are delivered damaged, Oechsler shall refuse to take delivery of the goods and return them at the Supplier's expense. In this connection, Oechsler points out that goods which are not damaged but which are part of such a delivery can be rejected as well.

Vehicles able to be unloaded from a loading ramp and having a maximum headroom of 4.00 meters over the total vehicle length should be used.

6. Status of ownership

Ownership status shall be determined on a pro rata apportionment basis for the procurement. At the end of a project, a stock check is made and inventories settled up. The ownership quantities are calculated proportionally on the basis of Oechsler's figure of the cumulative received quantity of the quantity of pieces delivered.

7. Miscellaneous

On principle, any individual arrangements agreed upon with Oechsler take precedence over this general logistics guideline.

