

Supplier Requirements for:
Apex Tool Group, USA, Apex, North Carolina

Dear vendor partner,

In order to maintain consistency throughout the supply chain it has become necessary for Apex Tool Group to enact packaging standards. Our end customer stores require packaging standardization in this competitive environment. The specifications listed on the following pages outline the requirements for properly marking and handling inbound freight.

Failure to adhere to these guidelines may result in shipment rejection, processing delay, payment delay, and/or financial charge.

In the guideline, you will see a charge back form listing the non-compliance issues with the charge. **You are required to respond with acknowledgement.**

Please direct any questions to ADC-Quality@apextoolgroup.com or 1-919-387-2611 (Jackie Burt)

Receiving Appointments

1. Full truckload deliveries and LTL's must call at a minimum, 24 hours in advance to schedule a receiving appointment. Fed Ex, UPS and standing appointments may come at their regularly scheduled time.

2. Failure to properly schedule an appointment may result in delayed unloading and rescheduling of delivery.

3. For trailers appointments may be made by contacting:

Doug Land

919.387.2625

Doug.Land@apextoolgroup.com

4. For sea containers, appointments may be made by contacting:

Gary Harrington

919.387.2310

Gary.Harrington@apextoolgroup.com

Gloria McLean

919.387.2782

Gloria.McLean@apextoolgroup.com

Failure to adhere to these guidelines may result in shipment rejection, processing delay, payment delay, and/or financial charge.

Packing Slips

1. All inbound material must be accompanied by a completed packing slip and should be indicated in a prominent manner to the Receiving Department.
2. Packing slip must be identified with a unique identification number.
(the packing slip number)
3. A copy of the Packing slip should be attached to the bill of lading.
4. On packing slips, all items for a PO must be grouped together.
5. Packing slip must contain:
 - Apex Tool Group purchase order number
 - Apex Tool Group SAP catalog number
 - Description of part – listed for each part number on packing slip
 - Quantity shipped – listed for each part number on packing slip
 - Domestic shipments -
Total number of cases/cartons, parts, & quantities
 - International shipments -
Total number of pallets, cases/cartons, parts, & quantities
 - Name of supplier
 - All partial quantities must be identified on packing slip
 - Bulk items must include correct net, gross and tare weights
 - Certificate of compliance (when warranted) must accompany all packing slips.

In the event that an exception or change is made, flag the change in the paperwork. All exceptions must first be approved by ATG.

Failure to adhere to these guidelines may result in shipment rejection, processing delay, payment delay, and/or financial charge.

Floor Loads

Floor loaded containers must be loaded so that product arrives in good condition

Lightweight product that is susceptible to crushing should not be top loaded with heavier product.

Floor load all like items together in one area only

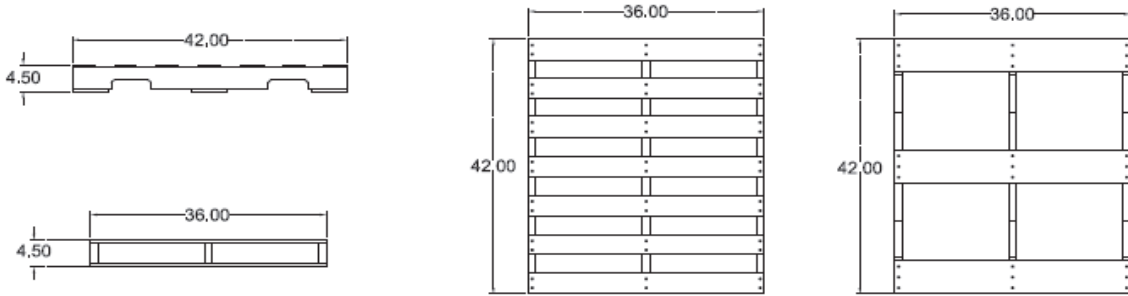
If the product is loose, there must be some kind of netting or other stabilization. Ensure proper blocking and bracing so that the material does not shift.

Failure to adhere to these guidelines may result in shipment rejection, processing delay, payment delay, and/or financial charge.

Pallets

1. Dimensions: 48" X 40" overall or 42" X 36" as specified by the PO.

APEX TOOL GROUP PALLET SPECIFICATION SHEET
(All dimensions in inches)



PALLET I.D.: 42.00 X 36.00 PINE & HARDWOOD MIX
 CLASSIFICATION: 42.00 X 36.00, STRINGER CLASS, DOUBLE FACE NON REVERSIBLE, PARTIAL 4-WAY, MULTIPLE USE,
 ① GRADE A & B, NEW OR REMANUFACTURED TO SPECIFICATION

COMPONENTS

TOP DECK

STYLE: DECKBOARD
 TYPE: NEW LUMBER OR REMANUFACTURED ①
 THICKNESS: .500"
 LENGTH: 36.00"
 WING: 0.00"
 TOTAL NUMBER OF DECKBOARDS: 7
 WIDTH: 3.500"
 FASTENERS PER CONNECTION: 2

ENDBOARDS FLUSH, INTERIOR BOARDS EQUALLY SPACED
 SELECT TOP DECK ENDBOARDS

VOLUME: 3.1 bd ft.

BOTTOM DECK

STYLE: DECKBOARD
 TYPE: NEW LUMBER OR REMANUFACTURED ①
 THICKNESS: .500"
 LENGTH: 36.00"
 WING: 0.00"
 TOTAL NUMBER OF DECKBOARDS: 3
 WIDTH: 5.500"
 FASTENERS PER CONNECTION: 3

ENDBOARDS FLUSH, INTERIOR BOARDS EQUALLY SPACED
 SELECT BOTTOM DECK ENDBOARDS

VOLUME: 2.1 bd ft.

STRINGERS

TYPE: NEW LUMBER OR REMANUFACTURED ①
 HEIGHT: 3.500"
 LENGTH: 42.00"
 TOTAL NUMBER OF STRINGERS: 3
 WIDTH: 1.125"

PARTIAL 4-WAY ENTRY NOTCH;
 DEPTH: 1.500"
 LENGTH: 6.00"
 LOCATION: 6.00"
 RADIUS: 0.5"

VOLUME: 3.9 bd ft.

MATERIALS

FASTENERS

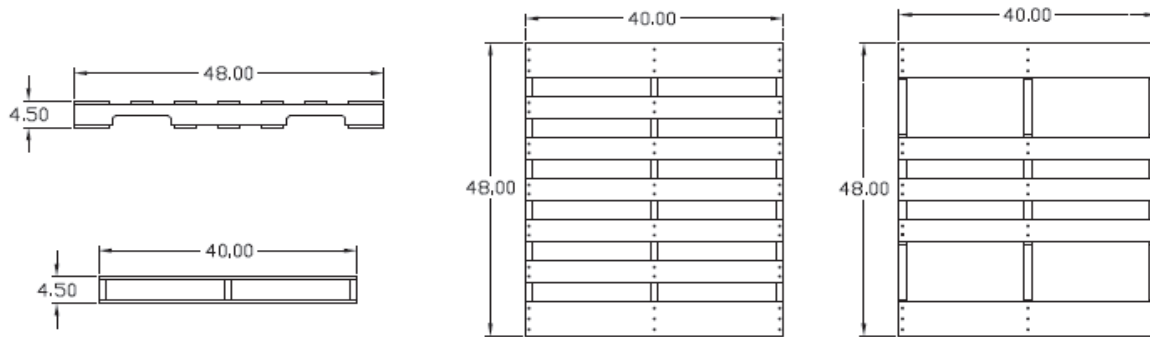
FASTENER: 2-1/4 X .112 SS, HELICALLY THREADED NAIL
 TOTAL NUMBER: 69

NEW LUMBER

LUMBER I.D.: PINE
 SPECIES CLASS: SOUTHERN YELLOW PINE
 GRADE: STANDARD
 LUMBER MIX: 100%
 MOISTURE CONTENT: GREEN

TOTAL NEW LUMBER VOLUME: 5.6 bd ft.

APEX TOOL GROUP PALLET SPECIFICATION SHEET
(All dimensions in inches)



PALLET I.D.: 48.00 X 40.00 PINE & HARDWOOD MIX
CLASSIFICATION: 48.00 X 40.00, STRINGER CLASS, DOUBLE FACE NON REVERSIBLE, PARTIAL 4-WAY, MULTIPLE USE, GRADE A & B, NEW OR REMANUFACTURED TO SPECIFICATION

COMPONENTS

TOP DECK

STYLE: DECKBOARD
 TYPE: NEW LUMBER OR REMANUFACTURED ①
 THICKNESS: .50"
 LENGTH: 40.00"
 WING: 0.00"

TOTAL NUMBER OF DECKBOARDS: 7

| NUMBER | WIDTH | FASTENERS PER CONNECTION |
|--------|--------|--------------------------|
| 2 | 5.500" | 3 |
| 5 | 3.500" | 2 |

ENDBOARDS FLUSH, INTERIOR BOARDS EQUALLY SPACED
 SELECT TOP DECK ENDBOARDS

VOLUME: 4.0 bd ft.

BOTTOM DECK

STYLE: DECKBOARD
 TYPE: NEW LUMBER OR REMANUFACTURED ①
 THICKNESS: .50"
 LENGTH: 40.00"
 WING: 0.00"

TOTAL NUMBER OF DECKBOARDS: 7

| NUMBER | WIDTH | FASTENERS PER CONNECTION |
|--------|--------|--------------------------|
| 2 | 5.500" | 3 |
| 3 | 3.500" | 2 |

ENDBOARDS FLUSH, INTERIOR BOARDS EQUALLY SPACED
 SELECT BOTTOM DECK ENDBOARDS

VOLUME: 3.0 bd ft.

STRINGERS

TYPE: NEW LUMBER OR REMANUFACTURED ①
 HEIGHT: 3.500"
 LENGTH: 48.00"
 TOTAL NUMBER OF STRINGERS: 3
 WIDTH: 1.125"

PARTIAL 4-WAY ENTRY NOTCH:

DEPTH: 1.500"
 LENGTH: 9.00"
 LOCATION: 6.00"
 RADIUS: 0.5"

VOLUME: 3.9 bd ft.

MATERIALS

FASTENERS

FASTENER: 2-1/4 X .112 SS HELICALLY THREADED NAIL
 TOTAL NUMBER: 84

NEW LUMBER

TOP & BOTTOM ENDBOARDS

LUMBER I.D.: MIXED HARDWOOD
 SPECIES CLASS: MEDIUM DENSITY EASTERN HARDWOODS
 GRADE: STANDARD
 LUMBER MIX: 35%

YELLOW POPLAR

GRADE: STANDARD
 LUMBER MIX: 30%

EASTERN OAKS

GRADE: STANDARD
 LUMBER MIX: 35%

MOISTURE CONTENT: GREEN

INTERIOR TOP & BOTTOM DECKBOARDS

LUMBER I.D.: PINE
 SPECIES CLASS: SOUTHERN YELLOW PINE
 GRADE: STANDARD
 LUMBER MIX: 100%

MOISTURE CONTENT: GREEN

STRINGERS

LUMBER I.D.: PINE
 SPECIES CLASS: SOUTHERN YELLOW PINE
 GRADE: STANDARD
 LUMBER MIX: 100%

MOISTURE CONTENT: GREEN

TOTAL NEW LUMBER VOLUME: 10.9 bd ft.

Pallet Stacked

- All inbound material (freight) must be palletized.
 Material loaded on the floor of a trailer or loaded on a slip-sheet is not acceptable unless authorized by warehouse management.
- Pallets must measure 42" by 36" or 48" by 40" (L x W), depending on the type of product, unless authorized by warehouse management.
- Height of palletized load must not exceed 48" – including height of pallet for non-bulk shipments.
- Individual shipping cartons must not extend over edge of the pallet

(unless authorized by warehouse management).

5. If a pallet has more than one type of product it must be labeled on the front and back with "MIXED PALLET"
6. Pallet or overpack labels should include total quantity contained within and be placed near shipping label for pallet
7. Partial cases must be clearly identified as such, consolidated when possible and be placed on the top layer of the pallet with the piece count clearly legible on the case.
8. For irregular sized items where the standard pallet size is too small load lifting points are required on packaging. Also, no part of the product can protrude through the top surface of the pallet. Must carry inherent properties of regular pallet (stringers, deck, fork lift openings), but sized for oversized load. Pallet should exceed load by at least 2 inches on all sides to prevent damage.

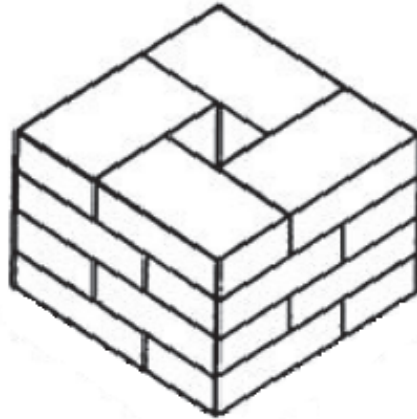
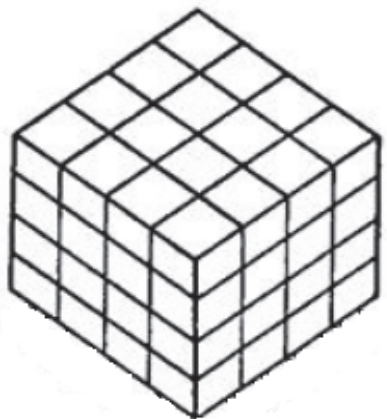
Failure to adhere to these guidelines may result in shipment rejection, processing delay, payment delay, and/or financial charge.

Cases

1. Each case must contain an identification label.
2. Each case must be sealed – both bottom and top of the case.
3. Gross weight of individual case must not exceed 50 pounds (unless authorized by warehouse management).
4. The bottom flap of the cartons must be stamped with the carton guarantee seal.
5. Partial cases must be clearly identified as such, consolidated when possible and be placed on the top layer of the pallet with the piece count clearly legible on the case.
6. In the event that the unit and/or carton packing parameters change, Apex Tool Group must be notified of the change. Such changes could be the unit dimension, unit weight, carton dimension, carton weight, carton quantity, carton space filler, pallet quantity, pallet weight, etc...

All approved changes/exceptions must be “flagged” on the paperwork.

7. Must pass ASTM D5276-98 (2009) International drop test standard
<https://www.astm.org/Standards/D5276.htm>
8. Must display pallet configuration on the top outer flap.
A pallet configuration image should be printed on the box. It should display 2 depictions 42" X 36" & 48" x 40". The configuration should maximize piece density, not exceed the pallet footprint, and not exceed 48" (+/- 2") in overall height including the pallet.



9. Strapping should not be used on boxes smaller than 24 inches long by 20 inches wide.
10. Mixed SKU's
 - a. Different SKU's should never be in the same container/box
 - b. The same SKU in a shipment should be consolidated on the same pallet.
 - c. If 2 or more part numbers will be on the same pallet
 - i. Place all of the same part number is on the same pallet, not mixed across the same shipment container.
 - ii. If this is not feasible the pallet must state "MIXED PALLET" in color
 - iii. Ensure part numbers are physically separated by utilizing a slip sheet
11. Partial Cases
 - a. Incomplete quantity boxes should be minimized by consolidation
 - b. Only 1 partial box per SKU per load is allowed
 - c. A partial box label should be added to the top and 2 sides of the box.
The label should be easily visible with a bright background preferred. A case with mixed SKUs needs to be clearly marked as such.
 - d. If 2 or more part numbers will be on the same pallet ensure part numbers are physically separated by utilizing a slip sheet
12. Each case must contain
 - a. Case Pack Quantity
 - b. Date of Manufacture (for raw materials only)
 - c. Consumer commodity code, ORM - D, if required
 - d. Weight in pounds
 - e. Barcode label as defined in next section
13. Unless product size necessitates a larger case size, case quantities should be determined such that they fit within a case no larger than 21(L)x 20(W) x 15(H) inches.

NOTE: These requirements also apply to third party manufacturing deliveries contracted by Apex Tool Group

Failure to adhere to these guidelines may result in shipment rejection, processing delay, payment delay, and/or financial charge.

Case Label Requirements

In accordance with Global Standards One requirements, <http://www.gs1us.org/> all shipping container code labels should be placed on adjacent sides of cases (not top or bottom). If case size allows, label should be on the 2 long sides of the box at the bottom left hand corner 1 inch from the bottom and 1 inch from the back. If the case does not allow for this, the label can wrap over the top, however the barcode has to be entirely on the side of case. These shipping container code labels must contain a barcode, known by names SCC14, ITF-14, GTIN-14, or I2of5. Deviation from these requirements caused by customer demands may be acceptable with prior ADC written approval.



Case labels should be 6”L x 4”H and should contain:

Country of Origin

Brand

SKU Number:

ATG - Catalog Number or Material Number

Note: Private Label may also require customer number.

Height should be ¼ inch or greater.

Quantity:

Number of units quantified in container.

Font size should be the same size as the SKU number.

Product Description:

Material description provided from ATG.

Font size should be in a font size smaller than quantity & Part number

Lot Tracking:

Note month and year in human readable and barcode
(in the Code 128 symbology) as brand requires.

Corporate name & address of ATG:

Apex Tool Group, LLC

1000 Lufkin Rd

Apex, NC 27539

USA, Canada, & Mexico allow this information to be located anywhere on the exterior of the package, but it must be in a "conspicuous place". This does not include the bottom of the package and cannot be on the inside flaps of the case or inside the case

Serialized Shipping Container Code (SSCC14, I2of5, ITF-14, GTIN-14) Barcode:

14 Digits as specified by ATG in part number generation.

The interleaved 2 of 5 symbology with human readable numbers below is required for all secondary packages for USA, Mexico and Canada. The I2of5 barcode must be located on the adjacent sides of the package excluding the top and bottom sides. The I2of5 needs to follow the below requirements.

I2of5 vs. UPC: An I2of5 barcode should not be used in cases where the secondary package is also the retail carton (UPC and I2of5 barcode cannot be on the same carton). I2of5 barcodes will not be printed on case packs of one (1).

UPC vs. I2of5: Individual product UPC should **NOT** appear on the master carton or be visible through the master carton.

| | |
|--------------------|---|
| Minimum Size | 3"L x 1"H |
| Print Quality | ANSI "B" or better |
| Narrow Bar | From 24 to 40 mil (0.024" to 0.04") |
| Wide Bar | 2.5 times the width of the narrow bar |
| Quiet Zone | 10X the narrow bar width |
| Distance from edge | 0.5 inches from left edge of label 0.25 inches from bottom edge of label |

Sample label:



If the case does not contain the standardized quantity of the SKU, the barcode must be changed to have its UPC, along with an updated quantity.

The DC will only accept broken/partial cases in the following conditions:

- End of life parts
- Made to order
- Order quantity is less than case pack quantity
- Bulk/packaging material



Failure to adhere to these guidelines may result in shipment rejection, processing delay, payment delay, and/or financial charge.

Shelf Pack/ Inner Box Label Requirements

The Shelf Pack / Inner Box label should be size 3" x 3".

Label size can be adjusted based on product dimensions, with authorization from ATG

The same requirements for case marking apply to shelf / Inner box marking.



Failure to adhere to these guidelines may result in shipment rejection, processing delay, payment delay, and/or financial charge.

Each (smallest salable unit) Label Requirements

Note: This information may be printed directly on the packaging

Country of Origin (must specify country, region is not acceptable)

SKU Number:

ATG - Catalog Number or Material Number

Note: Private Label may have customer number, also.

Part Description:

Material description provided from ATG.

Lot Tracking:

Note month and year in human readable and barcode
(in the Code 128 symbology) as brand requires.

Conformity assessment Mark:

The retail product itself must bear all applicable conformity assessment marks as required by the governing agency, or all local, regional, or federal regulations. These conformity assessment marks must also be included on the packaging. Examples are the UL Logo (USA), ETL Logo, NEMA, CSA (Canada), and NOM (Mexico).

UPC Barcode:

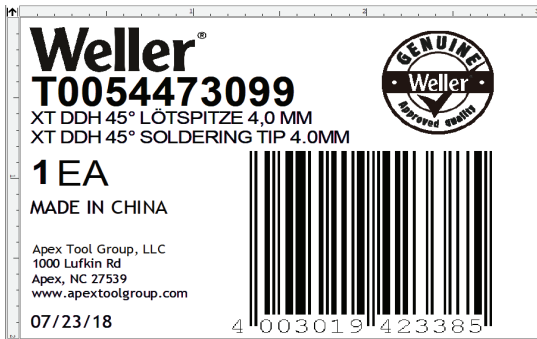
12 Digits in UPC-A symbology as specified by ATG in part number generation.

Sample label:



EAN Barcode: (Not required by USA distribution centers)

13 Digits (in EAN-13 symbology) as specified by ATG in part number generation.



Failure to adhere to these guidelines may result in shipment rejection, processing delay, payment delay, and/or financial charge.

Chargebacks

Summarized below are the charge back amounts that Apex Tool Group may, at its option, assess for various non-compliance issues. Please acknowledge that you have read this document and agree with the requirements. All chargebacks will be deducted from your next remittance advice in US currency.

In addition to the below compliance charges, there will be a flat fee of \$100 per SKU that will be assessed.

| CHARGEBACK AMOUNTS | NON-COMPLIANCE ISSUE |
|---------------------------|-----------------------------|
|---------------------------|-----------------------------|

Non-Compliant Cartons

| | |
|----------------------------|---|
| \$200 per SKU | Carton dimensions (+/-) inch from initially supplied specifications, including changes to dimensions after first shipment without approval. |
| \$10 per carton | Cartons exceeded the 50 lb. Weight limit, without prior approval |
| \$250 plus \$10 per carton | Actual quantity in carton differs from initially supplied information, including changes made after first shipment without approval. |

Improper Labeled or Marked Carton

| | |
|-----------------|---|
| \$10 per carton | Failure to follow standards for carton label or marking. |
| \$250 per SKU | Failure to use the correct symbology for barcodes. |
| \$10 per carton | Label or marking placement is incorrect. |
| \$10 per carton | Actual quantity in carton differs from quantity marked on the outside of case |

Documentation

| | |
|--------------------|--|
| \$250 per Shipment | Packing List not included in shipment or not clearly marked. |
| \$250 per Shipment | Required information is not on Packing List. |

Document Revision History

| Date | Rev. | Change | By: |
|-----------|------|---|------------|
| 7/23/2018 | - | Origination of document | J. O'Leary |
| 11/8/2018 | B | Address change, Revision tab, expanded pallet specs | J. O'Leary |