

The **Master Lock** Company

Property. People. Life.

North American Purchasing

Updated: May 15, 2014

Preamble: This policy will define Master Lock Company LLC purchasing requirements.

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A. Scope

This procedure applies to all Suppliers to *Master Lock Company LLC*.

B. Responsibilities

1. The Supplier is responsible for adhering to Master Lock Company LLC “Supplier Purchasing requirements”.
2. The Supplier must notify Master Lock Company LLC Purchasing in writing of any changes to Purchase Orders.

C. Procedure

1. Master Lock Company LLC Purchase Order Requirements
 - a. All Purchase Orders are to be sent to the Supplier by a Master Lock Company LLC Purchasing Representative for processing. The Supplier is responsible for providing the contact name and email address of the person handling PO’s before the first order is placed.
 - b. The Supplier should treat the Purchase Order as a contract with Master Lock Company LLC to purchase raw materials and produce all of the products requested per the instructions of the PO. Questions should be directed to the Master Lock Company LLC Purchasing Representative.
 - c. All Purchase Orders are subject to Master Lock Company LLC standards outlined in the **Terms and Conditions Policy Section 1**.
 - d. At the time a Purchase Order is received, it is the Supplier’s responsibility to verify all information on the PO for accuracy. This includes quantities, need by dates, product numbers, prices listed, special instructions or requirements. **(Terms & Conditions Sections 2 & 3)**



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- e. Within two business days of PO receipt any suggested revisions should be provided to Master Lock Company LLC Purchasing Representative for consideration. Supplier will receive a response from TMLC within two business days. Once revisions are agreed upon, the Supplier should begin production. **(Terms & Conditions Section 4)**
- f. If revisions to the Purchase Order are approved the Supplier may request a revised copy, however, Master Lock Company LLC will not send unless requested.
- g. Within ten business days of PO receipt, Master Lock Company LLC can cancel the Purchase Order. **(Terms & Conditions Section 2)**
- h. The Supplier is also responsible for reviewing and providing feedback on the weekly Open Purchase Order report (also known as SOSB). Any changes should be communicated back to the Master Lock Company LLC Purchasing Representative within that week.
- i. All products will be ordered in agreed upon quantities unless otherwise specified. Product could be shipped palletized or floor loaded according to the direction given from Master Lock Company LLC.
- j. The 'Need by Date', as it appears on the Purchase Order, refers to the date Master Lock Company LLC requires product to be delivered to the destination on the PO. The 'Promise Date' is the date that the Supplier confirms and commits product to arrive at destination. Failure to follow this process can result in a fine and/or airfreight at Supplier's expense. To calculate transit time accurately, the Supplier should do the following:
 - i. FCL Shipments - Allow 30 days prior to the 'Need by Date'
 - ii. LCL Shipments – Allow 40 days prior to the 'Need by Date'
 - iii. Airfreight (DHL/Expeditors) – Allow 7 days prior to the 'Need by Date'
 - iv. Domestic – Calculations can be obtained via the preferred carrier
- k. Supplier must notify Master Lock Company LLC Purchasing Representative immediately of any product that will not be shipped within the agreed upon 'Promise Dates' calculated per section "j" above. At time of notification Master Lock Company LLC Purchasing Representative will review inventory position to determine if Supplier will be required to expedite and/or air freight product at Supplier's expense.



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2. Shipping instructions
 - a. The 'ship to' address and FCA Terms will be stated on the Master Lock Company LLC Purchase Order. International shipments are coordinated through the staff in our China office.
 - b. Express bill of lading is required for all shipments and shall include Freight Forwarder and 'notified party' address.
 - c. Master Lock Company LLC Purchasing Representative must be notified of all consolidations and they must be agreed to prior to booking the freight.

3. Shipment Documentation
 - a. All shipments require the following documents: **Bill of Lading, Packing List** and a copy of the **Invoice**. **All original documents** should be included with the shipment and e-mailed to correct contacts (**reference section 3c below**).
 - b. The minimum requirement of all containers, pallets and mixed shipments must be labeled or identified on the outermost packaging with the following information:
 - i. PO Number
 - ii. Release Number if applicable
 - iii. SKU Number
 - iv. Line number/Shipment number
 - v. Quantity
 - vi. Date
 - vii. Harmonization Code (when assigned)
 - viii. Country of Origin

Please see Inbound Shipping Instructions for additional information
 - c. Packing List Requirements
 - i. Each item on the packing list must reference the Master Lock Company LLC Purchase Order number with the Master Lock Company LLC SKU number, part number and part description.
 - ii. **Kits must have each individual SKU, Part Number, Product Description and Price listed.**
 - iii. Bill of Lading and container number must be referenced on each packing list. The packing list must also clearly indicate what products, line of PO and what quantities are within each container. For shipments that contain multiple containers loaded at the factory, each container must have its own packing list and invoice.
 - iv. E-mail Master Lock Company LLC a copy of the bill of lading, packing list and invoice upon shipment



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1. Master Lock LLC - invoices@mlock.com
2. MLC Customs* - customs@mlock.com
**MLC Customs also needs the Record of Fumigation report*

v. Send with shipment, original Bill of Lading and Packing List. All original paperwork must accompany all shipments at all times. Failure to do so can result in a fine. (see North American Supplier Chargebacks Policy)

4. Invoices and Payment Schedules

a. Each line on the invoice must include the Purchase Order number, line number, SKU number, part number, part description, quantity, price, and container number.

b. Kits must have each individual SKU, Part Number, Product Description and Price listed.

c. All prices on the invoices are subject to verification.

d. Standard and Commercial invoices will be accepted. Copies of shipment documents must be sent immediately after shipment is made. E-mail all documentation to:

i. Master Lock LLC - invoices@mlock.com

ii. MLC Customs* - customs@mlock.com

**MLC Customs also needs the Record of Fumigation report*

e. Any inquiries on your invoices should go to:

Master Lock LLC: apinquiry@mlock.com

f. Once quantities and prices are verified, invoices are submitted for payment. Supplier will be informed of any discrepancies.

g. International payment is made via wire transfer to the bank account provided by the Supplier. Wire transfers generally occur weekly, and can take up to 5 working days to appear in a Supplier account depending upon holidays and weekends. Domestic payments are issued weekly via check and ACH payments.

h. In order to assure all invoices are paid in a timely manner, monthly statements showing unpaid invoices should be sent to:

Master Lock Company LLC: apinquiry@mlock.com



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D. Definitions

FCL – Full Container Load - A standard (twenty or forty-foot) container that is loaded and unloaded under the risk and account of the shipper or consignee. In general, a full container load attracts lower freight rates than an equivalent weight of loose (break bulk) cargo.

LCL – Less than Container Load - Shipping term for cargo that is insufficient either in quantity or in weight to qualify for the freight rates applied to a standard shipping container.

FCA – "Free Carrier" means that the seller fulfils his obligation to deliver when he has handed over the goods, cleared for export, into the charge of the carrier named by the buyer at the named place or point. If no precise point is indicated by the buyer, the seller may choose within the place or range stipulated where the carrier shall take the goods into his charge. When, according to commercial practice, the seller's assistance is required in making the contract with the carrier (such as in rail or air transport) the seller may act at the buyer's risk and expense.

Harmonization Code - Six-digit coding for identification and classification of imported and exported goods, for the purpose of compiling trade statistics and determining customs tariff. Called harmonized system (HS) for short, it divides goods into about 5,000 groups and sub-groups and is in use in most countries since January 1, 1989. US tariff system is a modified form of HD that employs a ten-digit code.

Country of Origin - Country where goods shipped were produced. Usually the country of origin is the same as the country of departure. Also called country of provenance.

Need by Date - refers to the date TMLC requires product to be delivered to the destination on the Purchase Order.

Promise Date - the date that the Supplier confirms and commits product to arrive at destination.

