

## **ATTACHMENT XX - PACKAGING REQUIREMENTS**

### **1. SELLER RESPONSIBILITIES**

It is the responsibility of the Seller to package and label the Product so that it shall not only comply with regulations of the carrier, but the completed package shall provide for safe delivery of the Product, adequate protection against damage and deterioration during shipment, handling, and storage at the final destination. It is the responsibility of the Seller that the packaging itself and the Product, or the group of Products that are contained within, shall arrive at the intended destination without any damage. The shipping, transportation, and receiving of unit loads and transport packages often requires supporting documentation such as bill of lading, manifest, packing list, Hazardous Material data, test results, customs data, or other Government-mandated information that might be also transmitted by EDI.

### **2. PACKAGING/PACKING REQUIREMENTS**

#### **2.1 REGULATION & INDUSTRY STANDARDS**

It remains the Seller's responsibility to implement packaging/labeling designs and procedures which will comply with Buyer's requirements and the regulations of the applicable carrier, and provide the performance requirements necessary to adequately protect the Product from damage and deterioration during storage, handling, and transportation to the final destination. This includes meeting minimum requirements to enable the packaging to be sufficient to allow the double stacking of palletized loads of similar gross weight. These regulations include, but are not limited to:

**ASTM Packaging Design Standards (ASTM-D-3951)**

**ISPM 15 & IPPC (<https://www.ippc.int/>)**

**National Motor Freight Classification Rules**

**Uniform Freight Classification Rules**

**Department of Transportation (DOT)**

**United States Code of Federal Regulations (CFR)**

**International Air Transport Association (IATA)**

**International Safe Transit Association (ISTA)**

**Telcordia (Bell Core)**

**International Maritime Dangerous Goods (IMDG)**

**Applicable National, State and Local regulations**

#### **2.4 ENVIRONMENTAL CONSIDERATIONS**

Seller shall warrant that all PACKAGING OR PRODUCTS PACKAGED IN PACKAGING were not manufactured by using materials that contain any HEAVY METALS OR OZONE DEPLETING SUBSTANCES (ODSs), (including cadmium, hexavalent chromium, lead and mercury) greater than 100ppm. Whenever possible, 3-R method (source reduction, reuse and recycle) should be considered when packaging is designed.

#### **1.5 WOOD PACKING RESTRICTIONS IN INTERNATIONAL SHIPPING OF OCEAN FREIGHT (ISPM 15 & IPPC)**

- a) Seller's must use ISPM 15 certified and stamped wooden pallets and crates for all shipments to Buyer

- b) ISPM 15 rules prevent the spread of plant pests and diseases throughout the world, when shipping international ocean freight using packing materials and supply containing wood. These international shipping regulations have been originated by the International Plant Protection Convention (IPPC - <https://www.ippc.int/>). ISPM 15 rules apply to international shipping of ocean freight that contains wood packaging material: wooden pallets, wooden crates, dunnages, drums, wood cases etc.
- c) ISPM 15 requires that all international ocean freight shipments using any species of raw wood packaging must be fumigated or heat treated, prior the international shipping, to kill insects or fungus. All wood-packing materials used in international shipping must be stamped with the approved by IPPC stamp, prior the international shipping. International ocean freight shipments that contain wood-packing materials will be checked in respect of compliance with the ISPM 15 regulations before to be allowed to enter to or crossing through a participating to IPPC country.

### **3. LABELING & MARKING REQUIREMENTS**

All Sellers must implement bar code labels for all shipping labels as defined in Section 3.1. Bar coding increases efficiency and reduces manual labor, errors and costs within the supply chain process. If there are questions or concerns please contact Commodity Manager for further discussion.

#### **3.1 SHIPPING AND RECEIVING LABEL**

All Sellers shall use outer shipping label including barcode specifications as defined in industry standard EIA-556-B.

#### **3.2 PRODUCT PACKAGE LABEL**

When Sellers ship Products to Buyer, all Product packages SHALL be labeled including intermediate containers, reels, bags, etc.

#### **3.3 HAZARDOUS MATERIAL LABELS & MARKINGS**

All Hazardous Material will be labeled and marked in accordance with the United States Code of Federal Regulations (CFR) Title 49, International Air Transport Association Dangerous Goods Regulations, International Maritime Dangerous Goods Code, and all other applicable National, State and Local regulations.

#### **3.4 HEAVY / OVERWEIGHT MARKINGS**

If a non-palletized item exceeds 45 pounds, the package is to be clearly marked "overweight", "Heavy-Do Not Handle Alone" or with similar markings.

#### **3.6 FRAGILE MARKINGS**

All containers having delicate or fragile Products shall be marked to indicate the fragility by means of labels, stamps or stencils. These markings shall be placed on a minimum of two panels of the transport package or unit load. Transport packages and unit load containers pre-printed with "FRAGILE" Title

#### **3.7 PRECAUTIONARY MARKINGS**

When any regulatory agency requires precautionary markings, all transport package and unit load containers shall have such labels and/or markings affixed. These include ESD markings, moisture sensitive level classification and requirements, environmental storage, age sensitive, shelf life requirements, etc.

### **3.8 ADDITIONAL LABELING REQUIREMENTS FOR INTERNATIONAL SHIPMENTS**

Product that has been designated for an international shipment on the Purchase Order shall have the dimensions of the transport package, unit or mixed load printed on at least two (2) sides in English (inches) and Metric (centimeters) units. The dimensions shall be rounded up to the nearest whole unit. Product that has been designated for an international shipment on the Purchase Order shall meet the requirements of the industry standard EIA-556-B.

### **3.9 USE OF LABELS & MARKINGS**

Markings shall only be used when necessary (e.g. Do not use packages marked with an ESD warning symbols for Product that is not ESD sensitive, or use one with an orientation symbol for Product that is not sensitive to which direction it is placed in, etc.). If labeling and marking requirements change after Product is packaged, obsolete labels and markings shall be removed prior to delivery.

## **4. PALLETIZATION REQUIREMENTS**

### **4.1 APPLICABILITY**

All unit loads and transport packages weighing more than 45 pounds, except for small parcel shipments, shall be palletized.

### **4.2 PALLET CONSTRUCTION REQUIREMENTS**

A Standard Pallet shall be used when shipping material to Buyer. This pallet shall be constructed according to the requirements specified in the guidelines defined in the National Wooden Pallet & Container Association (NWPCA) Uniform Standard for Wooden Pallets or contained in the International Standards for Phytosanitary Measures, Guidelines for Regulating Wood Packaging Material in International Trade. Any deviations from the specifications above require Commodity Manager's approval prior to implementation. Non-Standard stringer design pallets shall only be used to support Product that will not fit on a standard pallet. A non-standard stringer design pallet shall also be constructed using NWPCA requirements and 901183384 with the exception of length and width. Length and width dimensions shall be determined by the size of the item(s) being palletized. The non-standard stringer design pallet shall provide full support to the Product. An odd number of stringers running perpendicularly to the longer dimension of the pallet should be equally spaced (approximately 20 to 30 inch centers). Depending on the length of the runners add one or two cutouts for fork insertion. If the load is greater than 1500 lb. the pallet specifications shall be upgraded to provide the required additional strength.

### **4.3 GENERAL PALLET LOADING REQUIREMENTS**

Unless otherwise specified in procurement contracts, agreements or Purchase Orders, there shall be no overhang of packages on the pallet. The orientation of transport packages on palletized shipments shall be arranged so that the maximum numbers of labels are visible to facilitate identification.

### **4.4 PALLET LOADING REQUIREMENTS FOR UNIT & MIXED LOADS**

The following height restrictions apply to mixed loads: Maximum 46 inch height for standard pallet.

#### **4.5 PALLET LOADING REQUIREMENTS FOR PAILS, CARBOYS AND DRUMS**

Five-gallon carboys and pails should be stacked to a maximum height of two containers. Smaller cans and containers shall be packed to a height of 46 inches maximum. Shipments of 55-gallon drums should be palletized, four to a pallet, rather than sending drums individually. Pallets may be up to 48 x 48 inches, and may weigh up to 3,000 pounds.

#### **4.6 SECURING PALLETIZED LOADS**

All items shall be secured to pallets by a minimum of two straps and/or STRETCH WRAP. Shrinkwrap is NOT PERMITTED. If load is secured by strapping, the use of non-metallic banding and fiberboard edge protectors (vertical on corners and horizontal on top surface) is recommended.

### **5. PACKING LIST REQUIREMENTS**

#### **5.1 APPLICABILITY**

Each shipment shall be accompanied by packing list. This list shall be placed in a highly visible, appropriately marked packing list envelope on the outside of the package. For international shipments refer to Section 5.3 for further requirements. A separate packing list shall be provided for each Purchase Order.

#### **5.2 PACKING LIST - CONTENT**

The packing list shall contain the following information:

- i. Karcher Sales Order with Line Item Numbers.
- ii. Karcher Purchase Order Number with Line Item Number
- iii. Seller Product Number
- iv. Description and Issue/Series (if applicable).
- v. Quantity Shipped (with partial / complete indicator)
- vi. Country of Origin details per item
- vii. Packing List Number (readily identifiable)
- viii. Ship date
- ix. Total number of transport packages (Per Item).
- x. Seller's name and address

#### **5.3 INTERNATIONAL SHIPMENTS**

In addition to the above, an international shipment from a non-U.S. Seller location or shipment to a non-Karcher address shall have a copy of the packing list placed inside the transport package or unit load container.

#### **5.4 ADDITIONAL REQUIREMENTS**

Multiple container shipments of the same Product, on a single Purchase Order shall have the packing list envelope placed on transport package number one. Shipments with multiple unit loads, ordered on one Purchase Order, shall have the packing list attached to pallet number one. Each container shall be marked using proper Package Counts (X of Y), where X represents "container number" and Y represents "total number of containers". A unit load of Product, ordered on one Purchase Order, should have only one packing list attached to it. Duplicated PACKING LISTs must be clearly marked "Duplicate or Copy" on the PACKING LIST. If the packing list is placed inside shipping carton, that carton must clearly state "packing list" inside. This notice must be clearly visible to the eye.

## 6. OTHER REQUIREMENTS

### 6.2 DEVIATIONS

Any deviations from the specified requirements which interfere with Seller's standard practices, shall be submitted to Karcher Commodity Manager for resolution.

### 6.3 REJECTIONS

Failure to meet any of the foregoing requirements, or those specified on supplementary drawings shall be sufficient cause for rejection of shipment. Buyer reserves the right to reject all of such Product under the terms & conditions of the purchase covering purchase of the Product. Rejections may result in return of Product to the Seller and/or the request for immediate shipment of replacements at the Seller's expense.

### 6.4 LIABILITY

Buyer assumes no liability for any Product shipped in excess of the amount specified in the Purchase Order. Such excess may be returned to the Seller at the Seller's expense.

## 7. COUNTRY OF ORIGIN REQUIREMENTS

All Products purchased or distributed through Buyer in the United States shall be marked with the English name of the country of origin of the articles in a conspicuous location, as legibly, indelibly and permanently as the nature of the article will permit. The purpose of these laws is to inform the U.S. "ultimate purchaser" of the country of origin. All Products supplied to Buyer must conform to the following general instructions. First, every individual Product shipped in a container must have a country of origin marking that complies with these instructions. Second, every container in which Products are shipped must bear a country of origin marking that complies with these instructions.

**7.1 Conspicuous location.** All country of origin markings on Products must be placed in a location which will be easily found by the ultimate purchaser. For example, a marking on the outside of the article will normally be satisfactory. A marking on the interior of the Product will not satisfy this requirement. With respect to containers, a large, printed country of origin statement (e.g., "Made in China") appearing on the top of the container will normally suffice.

**7.2 Ultimate Purchaser.** The "ultimate purchaser" is generally the last person in the United States who will receive the Product in the form in which it was imported. The question of who is the ultimate purchaser must be evaluated on a case-by-case basis. For example, if the Product is to be sold at retail in its purchased form, the retail purchaser is the ultimate purchaser. On the other hand, Karcher Locations may be the ultimate purchaser of the Product if they subject it to a manufacturing process (i.e., a "substantial transformation") that results in a new Product with a name, character and use that is different from that of the original Product.

**7.3 Legibility.** The country of origin marking on a Product must be large enough so that it can be read easily without strain. It must also be easily distinguished from the Product (e.g., the use of contrasting-colored lettering in the case of printed markings).

**7.4 Indelibly / permanently marked.** All country of origin markings must be sufficiently secure so as to remain on the article until it reaches the ultimate purchaser. The marking must be accomplished by secure means, such as working the country of origin statement onto the Product at the time of manufacture, by etching, engraving or indelible paint stenciling.

**7.5 English name.** Each Product must be marked with the actual country of origin preceded by the language "Product of." Thus, a statement such as "Product of China" or "Product of Taiwan" would be acceptable. Great care must be taken to accurately reflect the country of production.

**7.6 Container markings.** The shipping containers of all Products must also be marked with the country of origin. The container markings must also be conspicuous, legible and permanent. A large printed origin statement (e.g., "Product of China") appearing on the top of the container would normally suffice.

**7.7 References to locations other than the country of origin.** Additional requirements apply whenever the imported article, or its container, bears a reference to a location other than the country of origin. This would apply, for example, if "USA" or the U.S. address of a Buyer facility appears on the Product (or container). In such case, the country of origin statement (e.g., "Product of China") would have to appear legibly and permanently in close proximity to the "USA" reference or the U.S. address, and in letters of at least a comparable size. Depending upon the placement and size of a preexisting marking, this could require the use of a second country of origin marking on a Product (or container).

**7.8 Covering or removal of country of origin markings.** The country of origin marking should never be removed or defaced, nor may it be covered, obscured or concealed by other labels, such as freight forwarding or shipping labels or instructions, on the article or container.

7. **Exceptions.** The U.S. Customs laws provide for limited exceptions to the requirements for marking of Products. Each of these exceptions must be evaluated on a case-by-case basis. The most important ones are the following:

*A. Products for which the marking of the containers will reasonably indicate the country of origin of the Products.* Under this exception, as long as the ultimate purchaser receives the Products in a container that is properly marked with the country of origin of the Products, the Product do not have to be individually marked. For example, U.S. Customs has previously determined that pole steps packaged in properly marked containers did not require individual Product markings because the ultimate purchasers (power and telecommunications utilities) would receive the Products in the containers. As a general rule, this exception requires that the containers remain sealed from the time of importation until they reach the ultimate purchaser.

*B. Products that are incapable of being marked.* The U.S. Customs laws recognize that some Products are not capable of being individually marked. For instance, a Product may be too small or its composition may not permit a conspicuous, legible, and indelible marking. Customs has determined, for example, that hardware Products such as bolts, nails, nuts, rivets, screws, spikes, staples and wooden dowels are exempted from individual Product marking requirements. Similarly, crude substances are not required to be marked. Regardless of whether this exception applies, the

outermost container in which the Products reach the ultimate purchaser must be marked with the country of origin.

C. *The J-List*. In its regulations, U.S. Customs publishes a list of products that are exempted administratively from individual marking. This list is known as the “J-List” and it specifies specific and very limited products that are exempted from individual marking. For instance, certain metal blanks and bars appear on this list. Again, regardless of whether this exception applies, the outermost container in which the products reach the ultimate purchaser must be marked with the country of origin.

#### INDUSTRY STANDARDS

***American National Standard Institute (ANSI),***

<http://www.ansi.org>

***American Society for Testing and Materials (ASTM), D3951 Standard Practice for Commercial Packaging***

<http://www.astm.org>

***Code of Federal Regulations (CFR), Title 49***

<http://www.gpoaccess.gov/cfr/index.html>

***U.S. Department of Transportation (DOT)***

<http://www.dot.gov/>

***Electrical Overstress/Electrostatic Discharge Association (EOS/ESD), DS8.1-1993 ESD Awareness Symbols & S11.11-1993 Surface Resistance Measurement of Static Dissipative Planar Materials***

<http://www.esda.org>

***Electronics Industry Association (EIA), EIA-541 Packaging Material Standards for ESD Sensitive Items; EIA-556-B Outer Shipping Container Label Standard; EIA-624-A Product Package Label Standards***

<http://www.eia.org>

***Electronics Industry Association (EIA), EIA-583 Packaging Material Standards for Moisture Sensitive Item***

<http://www.eia.org>

***International Air Transport Association (IATA), Dangerous Goods Regulations***

<http://www.iata.org>

***International Maritime Organization (IMO), Dangerous Goods Code***

<http://www.imo.org>

***International Safe Transit Association (ISTA)***

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<http://www.ista.org/>

***International Standards For Phytosanitary Measures Guidelines For Regulating Wood Packaging Material In International Trade (ISPM)***

<http://www.ippc.int>

***National Wooden Pallet & Container Association (NWPCA), Uniform Standard for Wood Pallets***

<http://www.nwpc.com/>

***Uniform Freight & National Motor Freight Classification, Rule 41/Alternate Rule 41 and Item-222***

<http://www.gpoaccess.gov/index.html>