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General Shipping and Packaging Conditions of Lenze Group

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1 General Information

1.1 Scope of validity

1.1.1 General Information

All deliveries to the companies and locations of the Lenze Group (hereinafter referred to as "Lenze") listed under "1.1.2 Geographical Scope" shall be made exclusively on the basis of the "General Shipping and Packaging Conditions of Lenze Group" (hereinafter referred to as "SPC"). This is an integral part of all contracts that Lenze concludes with the Supplier for the deliveries or services offered by the Supplier. The SPC, as amended from time to time, also apply to all future deliveries, services or offers to Lenze, even if they are not specifically agreed upon again. The current version of the SPC can be downloaded from the link <https://www.lenze.com/de-de/unternehmen/global-procurement>.

In the case of performance of continuing obligations, the Supplier shall be notified in writing of any changes to the SPC. They shall be deemed approved if the Supplier does not raise an objection in writing within one month of having received notification. We will make special reference to this consequence upon notification. This does not apply to material contractual obligations. Material contractual obligations are the types of obligations the make an orderly execution of the agreement possible and on whose compliance the contracting parties can regularly rely.

Deliveries or handovers made without observing the SPC cannot be processed by Lenze or only with particularly high time and effort and resulting costs. The Supplier may be billed by Lenze for any costs incurred as a result.

1.1.2 Geographical Scope

The SPC apply to the following Lenze companies:

Abbreviation	Company name	Street address	Postal code	Place	Country
LAH	Lenze Austria GmbH	lpf-Landesstrasse 1	4481	Asten	Austria
LAM	Lenze Americas Corporation	Douglas Street 630	01569	Uxbridge	USA
LCP	Lenze Drive Systems (Shanghai) Co. Ltd.	No. 2989, Jiangshan Road	201306	Shanghai	China
LET	Lenze-Tarnów Sp. z o.o.	Ul. Kochanowskiego 30	33-100	Tarnów	Poland
LEX W3	Lenze Operations GmbH	Hans-Lenze-Strasse 1	32699	Extertal	Germany
LHM	Lenze Operations GmbH	Hans-Lenze-Strasse 1	31855	Aerzen	Germany
LIN	Lenze Mechatronics Pvt. Ltd.	Plot No. I - 19, GAT No. 1898	410505	Pune	India
LIT	Lenze Italia S.r.l	Via Broggio 311	37050	Isola Rizza	Italy

Figure 1 Overview of scope of application

1.2 Objective

The objective of the SPC is to optimize the flow of goods in the supply chain. The input of resources for packaging and shipping should be minimized in terms of monetary considerations, aspects of sustainability and time involved. This requires continuous packaging from the Supplier throughout shipping to the point of use at Lenze. Repackaging procedures at or between the different links in the supply chain are to be avoided.

2 Shipping and Delivery

2.1 Shipping method

Unless otherwise agreed, delivery to the delivery address specified in the Lenze purchase order shall be at the Supplier's expense and risk. If an Incoterm or a delivery condition has been agreed where the costs and the risk up to the delivery at the respective Lenze location do not lie entirely with the Supplier, the shipping may only be organized by a forwarding agent approved by Lenze. Release by Lenze can be given by means of a site-specific general routing order from Lenze or an individual agreement between Lenze and the Supplier.

2.2 Delivery dates

The binding delivery date is the delivery date or arrival date stated on our purchase orders

2.3 Delivery addresses

For smooth processing (shipment handover, system booking, billing, etc.), it is necessary to address the goods correctly and to provide the carrier with the correct address and all references provided by Lenze. A note concerning the correct address and shipment references is clearly indicated with every purchase order.

2.4 Goods receiving times

The delivery of goods is generally only possible during the goods receiving times listed below.

Abbreviation	Company name	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
LAH	Lenze Austria GmbH	06:00 am to 4:00 pm					Closed	
LAM	Lenze Americas Corporation	06:00 am to 5:00 pm						
LCP	Lenze Drive Systems (Shanghai) Co. Ltd.	08:30 am to 5:00 pm						
LET	Lenze-Tarnów Sp. z o.o.	06:00 am to 7:00 pm					Closed	
LEX W3	Lenze Operations GmbH	06:00 am to 5:00 pm				06:00 am to 2:00 pm		
LHM	Lenze Operations GmbH							
LIN	Lenze Mechatronics Pvt. Ltd.	08:30 am to 5:30 pm						
LIT	Lenze Italia S.r.l	08:30 am to 12:30 pm and 1:30 pm to 4:30 pm						

Figure 2 Overview of goods receiving times for each location

Deliveries are generally not possible on public holidays at each respective location. There may also be company days off or plant holidays before, after or between public holidays. The Supplier is to inquire about this with Lenze.

2.5 Deviations / Exceptions

In exceptional cases, deliveries outside the above-mentioned times are possible. Each individual case is only permissible after prior agreement with the Lenze receiving plant, and the Supplier must provide notification in due time. Notice must be provided at the latest by 11:00 a.m. on the planned delivery day.

2.6 Requirements relevant to dangerous goods

The Supplier shall observe and fulfill all relevant duties concerning laws governing the handling of dangerous goods in the respective amended version, in particular in accordance with the Dangerous Goods Transportation Act, the combined European regulations for the combined transportation of dangerous goods on roads and rails (ADR/GGVS, RID), IMDG, IATA-DGR. In adhering to all regulations, it is necessary to observe specific packaging requirements, markings, fillers and prohibitions on mixed loading.

3 Packaging

3.1 General Specifications

3.1.1 Mixed vs. unmixed items

As a general rule, the Supplier must pack items unmixed. Only one item may be shipped per load carrier. In the case of small quantities, the delivery of several items in one load carrier is permitted, provided the following rules are observed:

- The load carrier is clearly marked from the outside as a mixed load carrier
- The mixed load carrier must consist of different packing units
- Each packing unit may only contain one item number
- Each packing unit may only reference one Lenze purchase order and one supplier delivery note

The packing structure of mixed pallets must allow each item to be viewed and accessed directly. This ensures smooth incoming goods inspection and intake in Lenze's warehouse and thus also optimizing the loading lock contact times of transport service providers.

3.1.2 Recurring Deliveries

Regularly recurring materials to be provided by the Supplier may not be delivered in varying packaging. On the basis of this SPC, the Supplier prepares a proposal for a material-specific, material group-specific or supplier-specific packaging agreement. Lenze will evaluate this and, if there is agreement, an individual packaging agreement shall be agreed between both parties and shall thus constitute the binding basis for the packaging on delivery or handover.

3.1.3 Costs Exchange and return of packaging

Unless otherwise agreed in writing, all packaging costs are included in the agreed price and shall be borne by the Supplier. This also includes exchangeable packaging such as Euro pallets. These will only be exchanged by Lenze if the exchange has been explicitly agreed in writing by Lenze and the Supplier. At Lenze's request, the Supplier is obliged to take back free of charge any packaging material provided to Lenze upon delivery.

3.2 Load carriers

3.2.1 Overview of permitted load carriers per location

The following table shows which types of load carriers are generally permitted and on which load carrier deliveries may be made to which Lenze locations.

ID	Landing carrier	Description	LAH	LAM	LCP	LET	LEX W3	LHM	LIN	LIT
1	Packages	Dimensions per packaging unit < 579 x 379 x 400 mm (L x W x H) Weight < 28.5 kg per package	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Lenze Reusable containers	Plastic SLC (small load carrier) in external dimensions 600 x 400 mm, 220 or 420 mm height	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Plastic SLC in external dimensions 165 x 100 x 75 mm or 230 x 155 x 120 mm	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		¼ pallet box dimensions: 567 x 370 x 154 mm max. load weight: 6 kg	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	EPAL Euro pallet	Height grid 1: up to 350 mm gross (load carrier + load), e.g. 1 wooden folding frame = 200 mm net (load)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Height grid 2: 550 mm gross (load carrier + load), e.g. 2 wooden folding frames = 400 mm net (load),	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Height grid 3: 950 mm gross (load carrier + load), e.g. 4 wooden folding frames = 800 mm net (load),	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Height grid 4: 1,750 mm gross (load carrier + load)	No	Yes	No	Yes	Yes	No	Yes	Yes
4	Pallets with smaller basic dimensions	Half or quarter pallets, basic dimensions < Euro pallet	No	Yes	No	Yes	No	No	Yes	Yes

Figure 3 Overview of permitted load carriers per Lenze location

3.2.2 Additional information for packages

The quality of the cardboard packaging must allow the packages to be stacked. They are to be neither bulged nor compressed (Figure 4).

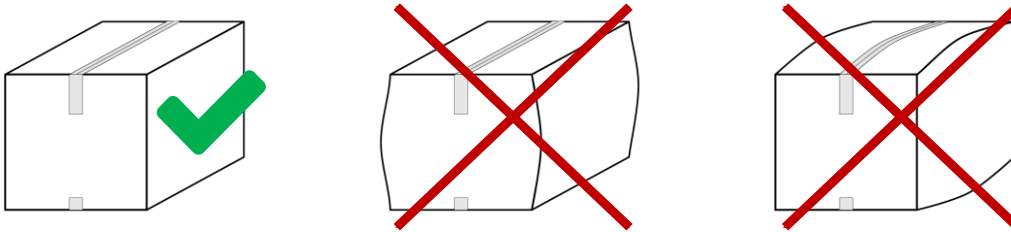


Figure 4 Sample illustration for correct and incorrect cardboard packaging

Single-item packages:

- The above-mentioned technical limits must be observed for single-item packages.
- If product and transport packaging are used in combination, the product packaging is deemed definitive.
- If it is not possible to comply with the package dimensions due to the item dimensions, delivery should be made on pallets. In this case, they fall into the dimension limits for EPAL Euro pallets

Multi-item packages:

Packages with different material ID numbers can exceed the above-mentioned technical limits – up to the maximum weight of 28.5 kg per package. However, care must be taken to ensure that the different ID numbers are separated by sub-packaging.

The same requirements apply to the sub-packaging unit as for single-item packages. Packaging units with the same ID numbers are to be grouped together.

3.2.3 Additional information for Lenze reusable containers

If goods are exchanged regularly, Lenze and the Supplier will check whether the use of Lenze reusable containers can and should be implemented. Integration into the Lenze container pool is handled separately. The Lenze reusable containers are provided by Lenze. Only single-item delivery is permitted in Lenze reusable containers.

3.2.4 Additional information for EPAL Euro pallet

The Supplier shall only use EPAL EURO pallets in accordance with UIC 435-2 and DIN EN 13698-1 having the dimensions of 1,200 x 800 mm and the RAL-RG 993 quality mark in conjunction with wooden pallet frames (dimensions 1200 x 800 x 195 mm, foldable 4 ways, wood thickness 20 mm) as standard large load carriers. The pallets must be usable for storage and transportation, in addition to being machine-compatible, suitable for conveyor equipment (roller and chain conveyors) and capable of being used for high-bay storage, i.e. quality class B according to the classification of the European Pallet Association e.V. (EPAL).

The EPAL quality criteria are available in various languages on the EPAL website (<https://www.epal-pallets.org/eu-en/>). The EPAL quality classification for EPAL Euro pallets applies analogously to the quality of the pallet frames. The maximum number of pallet frames and thus the permissible height for each Lenze location is shown in Figure 3. The top pallet frame must be closed with a cover and secured with 4 bands (2 crosswise and 2 lengthwise). The banding must be made using PP or PET plastic bands. The use of metal banding and the wrapping of pallets with foil is not permitted. If protection against dust, moisture, etc. is required by means of foils, bags or similar means, this must be carried out within the pallet frames. Figure 5 shows an example of an EPAL Euro pallet with 3 pallet frames, a wooden cover and 4-fold banding.



Figure 5 EPAL Euro pallet with 3 pallet frames, a wooden cover and 4-fold banding.

In case a pallet is delivered without a pallet frame, the individual packaging units must be positioned and secured on the pallet by the Supplier in such a way that there is an edge of at least 2 cm on all 4 sides of the load carrier. This must be agreed upon in advance by the Supplier with the receiving Lenze location. These exceptions only apply to the respective area/location with which this agreement was made.

The maximum weight allowed per pallet is 1,000 kg.



Figure 6 Securing the stack of pallets with hinged frames using stacking corners

Transport safety must be ensured. This means in particular that the load must be securely fastened to the pallet. If pallets are loaded and delivered stacked with wooden frames, the pallet stacks must be secured against shifting. This can be achieved, for example, by using stacking corners (see Figure 6) which are inserted on all four corners.

If the load exerts a high point load on the load carrier, which cannot be recognized by the outer packaging (e.g. pallet frame), the load's center of gravity must be clearly marked.

As point loads are not directly recognizable or measurable and may only take effect after a certain, unspecific storage

period, the Supplier is liable to Lenze for damages due to missing or insufficient marking.

In exceptional cases to be specially agreed, suitable alternatives may be possible. In case a pallet is delivered without a pallet frame, the individual packaging units must be positioned and secured on the pallet by the Supplier in such a way that there is an edge of at least 2 cm on all 4 sides of the load carrier.

If there is an agreement with the Supplier to exchange pallets, any Euro pallets that do not comply with the regulations or pallets with special dimensions are excluded from the exchange

Exception: If the dimensions of an individual packaging unit exceed the usable dimensions of the EPAL Euro pallet with pallet frame (1196 mm x 796 mm).

3.3 Requirements for packaging materials & packaging aids

3.3.1 General Requirements

Packaging, packaging materials and fillers must meet the following basic, general requirements:

- Protection of the products against the usual loads during transportation, handling, transport-related interim storage and storage at Lenze. This also includes ensuring effective protection against corrosion, soiling and general damage
- Protection of persons involved in the supply process chain from harm to their health, in addition to preventing environmental damage
- Ensuring the stackability of packages to facilitate handling
- Ensuring easy removal of delivery items and fillers

Specific requirements are in particular

- Only non-toxic packaging material may be used, consisting of materials, packaging and chemicals that comply with the regulations applicable at the respective Lenze locations (see 2 Scope of application), such as the German Ordinance on the Prohibition of Chemicals (ChemVerbotsV) and the European Packaging Ordinance.
- Wood packaging materials must comply with the current IPPC regulations and the International Standards for Phytosanitary Measures (ISPM) No. 15 (see <https://www.bmel.de/DE/themen/landwirtschaft/pflanzenbau/pflanzengesundheit/verpackungsholz.html>)
- Mixed packaging material is only permitted if it can be easily separated by hand
- Reusable packaging, e.g. pallets and wooden folding frames, must be neutral and without branding
- Packaging materials must be free of oil and silicone
- The use of polystyrene, wood wool and chips made from cornstarch flour is prohibited
- Only large-volume, dust-free filling material may be used
- Cardboard packaging must not be overpacked (Figure 4: Example illustration of correct and incorrect cardboard packaging). The goods must be packaged in such a way that the flat surface shape of the carton walls remains unchanged (avoid bulges or other deformation). After cutting open the carton at Lenze, the goods must not spill out (beyond the edge of the carton).

3.3.3 ESD-related requirements

In addition to the general requirements, the following specifications must be observed for all deliveries to Lenze electronics production. The protection of electronic components must be ensured by the use of suitable ESD packaging material. ESD instructions must be clearly and visibly affixed to packages or sub-packaging units containing ESD-protected materials.

Term	Explanation
ESDS	ESDS (ElectroStatic Discharge Sensitives) are individual electronic components, integrated circuits or assemblies that can be damaged by electrostatic fields or discharges during handling, testing or transportation.
Non-ESDS	Components that are not ESDS.
EPA	EPA (ESD Protected Area) is an area protected against electrostatic discharge.
MSL component	MSL component (Moisture Sensitivity Level) is an electronic component that has been classified as moisture sensitive (MSL class higher than 1 according to the J-STD-020 standard).
Direct-fitting and enveloping packaging	Packaging that lies directly against the component or wraps the component together with the directly adjacent packaging.

Figure 7 Overview of ESD abbreviations

The requirements for ESDS from the DIN EN IEC 61340-5-1 and DIN EN IEC 61340-5-3 standards must be fulfilled. The direct-fitting and enveloping packaging of ESDS and non-ESDS that is brought into an EPA must comply with the DIN EN IEC 61340-5-1 and DIN EN IEC 61340-5-3 standards. The use of other packaging that is not suitable for use in an EPA requires special approval from Lenze. For example, untreated plastic materials are unsuitable for use in an EPA.

Requirements for MSL components from the J-STD-033 standard must be met. The packaging of all electronic components intended for automatic assembly must comply with the relevant DIN EN IEC 60286-1, DIN EN IEC 60286-2 or DIN EN IEC 60286-3 standard for taped components. Packaging types that are not described in these standards must be approved by Lenze.

DIN EN IEC 61340-5-1	Protection of electronic components against electrostatic phenomena - General requirements
DIN EN IEC61340-5-3	Protection of electronic components against electrostatic phenomena - Properties and requirements classification for packaging intended for electrostatic discharge sensitive devices
J-STD-020	Moisture/Reflow Sensitivity Classification for Non-hermetic Surface Mount Devices (SMDs)
J-STD-033	Handling, Packing, Shipping and Use of Moisture, Reflow, and Process Sensitive Devices
DIN EN IEC 60286-1	Taping and warehousing of components for automatic handling - Part 1: Taping of components with axial leads
DIN EN IEC 60286-2	Taping and warehousing of components for automatic handling - Part 2: Taping of components with axial leads unidirectional leads
DIN EN IEC 60286-3	Taping and warehousing of components for automatic handling - Part 3: Taping of surface mount components on continuous tapes

Figure 8 Applicable standards

3.5 Packing structure & density

Unnecessary packaging must be avoided, while still maintaining physical product protection, thus ensuring a reduction in packaging waste. Deliveries must be packed accordingly, making optimum use of the available space. Partial and fractional quantities must be packaged in separate units and clearly labeled.

4 Labeling & documents

4.1 Labeling

Delivery notes and/or packing lists must be clearly visible on the outside of each load carrier or packaging unit and each package. Additional delivery notes or packing lists must be enclosed inside the outer packaging unit with clear labeling from the outside (e.g. "Documents inside"), but this not to be construed as a standard.

Each packaging unit (sub-packaging) must be clearly marked with the Lenze identification number, purchase order number and quantity. Multiple load carriers per ID number must also be provided with a load carrier numbering (e.g. 1/2, 2/2 etc.). The marking must be permanently attached to the outside.

Old (invalid) stickers, tags or labels must be removed before delivery.

If a delivery comprises several packages, a combined pallet may be useful where appropriate. A combined pallet must be labeled as such. Each package on a combined pallet must be clearly and easily identifiable.

Goods that are assigned a UN number must be packaged in accordance with the Packaging Ordinance and visibly labeled as dangerous goods or as goods packaged in limited quantities in accordance with the applicable ADR labeling regulations.

4.2 Documents

The Supplier is to provide shipment documentation describing the contents of the delivered packages in detail and in full.

The delivery note must contain the following information:

- Sender
- Date of issue of the delivery note
- Consignee of goods with details of the delivery address
- Purchase order number with item number of the order, where applicable (ideally: include purchase order data as a bar code)
- Number of packages per delivery note/purchase order (purchase order number)
- Number of units (desirable: in addition, the number of units per pallet (incl. labeling on the pallets))
- Lenze material number (also as a bar code) and product designation
- Manufacturer part number and manufacturer's product designation
- Drawing number incl. index
- Serial numbers (ideally: also as a bar code)
- Manufacturer (if the Supplier is not the manufacturer)
- Batch / date of manufacture (if requested)

- Confirmation of UL conformity (if necessary)
- COA test certificate with UL statements of conformity (if agreed)
- Initial Sample Inspection Reports (ISIR) (if agreed)
- Material analysis certificates (if agreed)
- Information on warehousing (e.g. refrigeration, climate conditions, etc.) (if necessary)

For all deliveries of dangerous goods, the respective safety data sheets must be sent by e-mail to Lenze Purchasing Department (material_compliance@lenze.com) prior to delivery. In addition, these must be attached to the accompanying documents when new items are delivered for the first time.

5 Concluding remarks

Exceptions to these requirements must be requested and agreed in due time in advance and must be made in writing. Telecommunication transmittal is sufficient in upholding the written form requirement.

The SPC represents a minimum standard. The applicable national and international laws, standards and regulations shall apply above and beyond this general regulation. The law agreed upon by the Supplier and Lenze (laws, standards and regulations) shall take precedence over the provisions of the SPC, to the extent that legal regulations provide for other mandatory requirements.