

**HORTON INCORPORATED**  
**Inbound Product Document Guidelines**  
**04-16-04**

**INTRODUCTION:**

This procedure establishes minimum guidelines for Horton suppliers pertaining to documentation, labeling and packing of all inbound shipments.

**PURPOSE:**

Sufficient standardization of documentation, labeling, and packing, improves the Horton receiving and payment process. It also reduces cost to our material handling and storage operation. By following this procedure, Horton suppliers will aid in achieving a mutually beneficial, quality driven materials receiving system.

1. **Bills of Lading**

When used, the Bill of Lading must have the proper freight description, and freight classification,

2. **Packing Lists**

All shipments must include a Packing List that provides the following minimum information:

- a. Horton's Purchase Order Number. If a blanket Purchase Order is used, and supplier's system permits, please indicate purchase order release number.
- b. Horton Part Number(s), Revision level, Date and Descriptions. Supplier part numbers and supplier order number alone are insufficient.
- c. The quantity of each item included in the shipment (**refer to Exhibit A, Sample Packing List**).

If a Packing List is attached to the Bill of Lading, a second copy must be attached to one of the shipment's containers, clearly marked "Packing Slip Enclosed".

3. **Packaging of Parts**

Only one part number should be contained per package. Never mix multiple part numbers in a box or container.

Date codes or pour dates cannot be mixed.

All packaging will have no less than two labels including Horton part number, revision levels, purchase order, quantity, and line number (systems permitting). These labels are to be visible on adjacent sides of box or container. Label should not include the prefixed letter at the beginning of the number.

Barrels or wood crates must be in sound condition. They must also contain the proper labeling. Packages should be marked 1 of 5, 2 of 5, 3 of 5, etc.

Suppliers who provide Horton product as part of the “consignment program” must mark each bag or container “Consignment Inventory-Dock to Stock”.

#### 4. **Palletization of Package Parts**

Horton requests that its' suppliers use standard 40" X 48" 4-way double entry pallets with standard 3 1/2" sideboards.

Material should not go beyond the facing edge of the pallet and should be placed with labels facing outside to allow easy reading of labels on the adjacent sides of boxes or containers (**see Exhibit B, Pallet Layout for Labeling**).

Where pre-approved, materials that are not packaged or do not fit standard palletization must be shipped on pallets of appropriate size.

All material must be banded or stretch wrapped to insure damage does not occur during shipment.

It is the supplier's responsibility to ensure that loads are placed in carrier equipment so they do not shift during transport. When double stacking pallets, load separators should be used.

## 5. Mixed Loads

If the part quantity shipped is not sufficient to form complete pallet loads those packages or containers containing the parts may be combined with the packaging of another pallet. The pallets must have a "MIXED LOAD" label attached. No part can appear on more than one mixed pallet per shipment.

## 6. Supplier Bar Code Label Specifications

### A. Label Size and Materials

The minimum label size shall be 3.94 (100mm) inches wide by 6.4 (165mm) inches long. The label material shall be white in color with black print.

Adhesive types may be pressure sensitive or dry gummed. Labels must adhere to the package and be wrinkle free. Tag labels shall conform to label size restrictions noted above, plus any additional space necessary to allow fastening. Tag shall be durable and readable at destination.

## 7. Label Data Area Specifications

The part number, revision level, quantity per container (box, tote, cage), line item# and P.O. number shall be included on each label in the correct data area and shall be displayed in both human readable characters and bar code symbols. The max length of the bar code symbol should not exceed 5.5 inches (140MM).

Labels are to be laid out per examples in this instruction (**see Exhibit C**), or (**Horton approved deviation**), with data areas, data area titles, separation lines, print type and height and bar code height, as shown, and also per the following published specification.

- a. Bar codes shall be Code 39 symbology.
- b. Check digits shall not be added to the bar codes or human readable interpretation.

<b>Required Data:</b>	<b>Supplied By:</b>	<b>Size: (Characters)</b>
Ship to Location	Horton	
Part Number	Horton	Min 7 Max 12
Rev. Level	Horton	Min 1 Max 2
Order Number	Horton	Min 1 Max 9
Line#	Horton	Min 1 Max 3
Quantity	Supplier	Min 1 Max 7
Supplier Name	Horton	Min Max

(See Exhibit C for Sample Label)

**8. Returnable Containers**

The guidelines previously set forth are to be adhered to by suppliers using returnable containers.

**9. Delivery Policy**

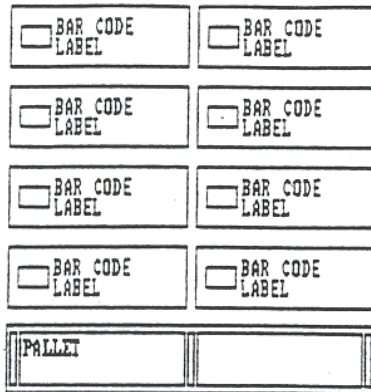
The date listed on the purchase order or contract order is the date the shipment is required at Horton. Deliveries made within seven days of the agreed upon promised delivery date (between buyer and supplier) are considered on time. Delivery is affected upon receipt of goods into Horton's business system therefore suppliers must allow enough time for transportation and in-house processing at Horton.



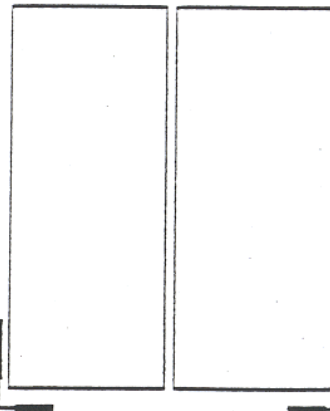
# EXHIBIT-(B)

## PALLET LAYOUT FOR LABELING

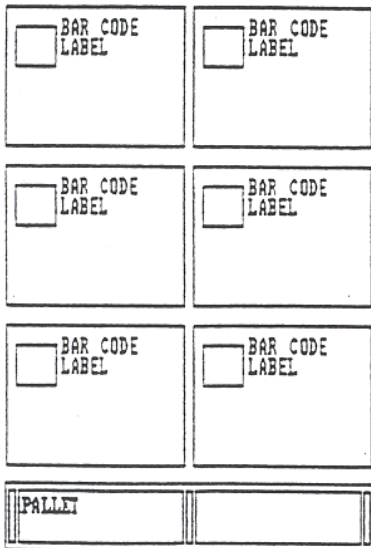
TOP VIEW



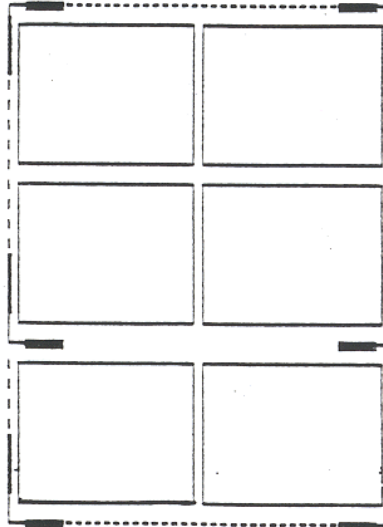
THIS PALLET HAS A TOTAL OF 8 PCS. ON IT. ALL THE LABELS OR BAR CODE LABELS SHOULD BE ON TWO ADJACENT SIDE OF THE BOXES.



ALL LABELS SHOULD BE ON THE FRONT SIDE OF THE BOXES.



THIS PALLET HAS A TOTAL OF 18 PCS. ON IT. ALL LABELS OR BAR CODE LABELS SHOULD BE FACING OUT SO THEY ARE SCANNABLE.



-----> BAR CODE LABELS OR A VENDOR LABEL

EXHIBIT C

PART # 123456 REV LEVEL C	SHIP TO: HORTON INC BRITTON, SD 57430
QUANTITY 12345	P.O. # 123456
SUPPLIER <hr/> BOX OR CONTAINER #	LINE#