

ALDI Stores (A Limited Partnership)

International Product Supplier Guidelines **For Ex-Works / FOB shipments**



Table of contents

| | | |
|------------|--|-----------|
| 1. | Introduction | 3 |
| 2. | Definitions | 4 |
| 3. | ALDI National Supply Chain Management Contacts | 5 |
| 4. | ALDI Stores Regions / Distribution Centres | 6 |
| 5. | ALDI Freight Forwarders..... | 7 |
| 6. | Origin Charges, Responsibilities & Requirements | 8 |
| 7. | Booking with Freight Forwarder | 9 |
| 7.1 | Temperature Controlled Cargo | 9 |
| 8. | Container Packing Standards/Guidelines:..... | 10 |
| 8.1 | Dangerous / Hazardous Cargo..... | 12 |
| 9. | Container Freight Station (CFS) | 13 |
| 9.1 | Damages | 13 |
| 9.2 | Shortages / Extras..... | 13 |
| 10. | Commercial Documents | 14 |
| 10.1 | Fumigation Certificate..... | 14 |
| 10.2 | Documentation requirements for Import Permits..... | 15 |
| 11. | Free Trade Agreements..... | 15 |

1. Introduction

The purpose of this document is to provide a guideline for our International Product Suppliers to further clarify the shipping requirements for the Ex-Works / FOB shipment of ALDI Stores products.

This will provide the contact details and lines of communication for ALDI Stores National Supply Chain Management (NSCM) and their Freight Forwarder partners.

For further details of the Product Supplier's rights and obligations please refer to the following, which are not included in this document;

- Terms and Conditions of Purchase.
- Supply Guidelines of the Terms and Conditions of Purchase.
- Incoterms 2010.

2. Definitions

“Ambient” - those products that shall be transported with no control over temperature or humidity applied, permitted temperature range is from 5 °C to 35 °C.

“Temperature Controlled” - those products that shall be transported with control of temperature, which is set by the supplier at time of packing.

“Ex Works (EXW)” - has the meaning set out in Incoterms 2010.

“Free on Board (FOB)” - has the meaning set out in Incoterms 2010.

“Freight Booking (FB)” - official Freight Booking or order confirmation from ALDI Stores to Transport Supplier

“Freight Forwarder” - ALDI Stores Logistics Service Provider.

“Products” - products or goods to be supplied to ALDI Stores by the Product Supplier pursuant to a Purchase Order by ALDI Stores specifying the Products are purchased ‘FOB’ or ‘Ex Works’.

“Product Supplier” - ALDI Stores overseas Product Suppliers.

“Purchase order” - official Purchase Order or Product Contract from ALDI Stores to Product Supplier.

“Container Freight Station (CFS)” - Storage/Warehouse facility for loading less than full container orders = consolidation by the freight forwarder.

“Container Yard (CY)” - Port facility at which containers are accepted for loading onboard ships and off-loaded containers are delivered.

3. ALDI National Supply Chain Contacts

| ALDI National Supply Chain Contact Name | Title | Phone & Fax | E-mail |
|--|---|------------------------------|---|
| Helen Bridges | Executive Manager - Special Buys | Tel: + 61 2 9675 9484 | helen.bridges@aldi.com.au |
| Helen Bridges | Executive Manager - Int'l Core Range/ Seasonal | Tel: +61 9675 9484 | helen.bridges@aldi.com.au |

4. ALDI Stores Regions / Distribution Centres

An invoice for each Purchase Order (PO) should be mailed under separate cover for the attention of the Accounts Payable Department, in each relevant Region. Refer to the following table for point of contact for each Region:

| Distribution Centre | ALDI Stores Invoicing Point |
|---|---|
| ALDI Stores Ltd 1 Sargents Road MINCHINBURY NSW 2770 AUSTRALIA | Locked Bag 56 St Marys DC NSW 2760 Email: merch.accounts.min@aldi.com.au |
| ALDI Stores Ltd 60 Swann Drive DERRIMUT VIC 3030 AUSTRALIA | Locked Bag 56 St Marys DC NSW 2760 Email: merch.accounts.der@aldi.com.au |
| ALDI Stores Ltd 55 Burnside Road STAPYLTON QLD 4207 AUSTRALIA | Locked Bag 56 St Marys DC NSW 2760 Email: freight.AP.invoice@aldi.com.au |
| ALDI Stores Ltd 10 Burando Road PRESTONS NSW 2170 AUSTRALIA | Locked Bag 56 St Marys DC NSW 2760 Email: merch.accounts.pre@aldi.com.au |
| ALDI Stores Ltd 41-51 Colemans Rd DANDENONG VIC 3175 AUSTRALIA | Locked Bag 56 St Marys DC NSW 2760 Email: freight.AP.invoice@aldi.com.au |
| ALDI Stores Ltd 68-88 Kremzow Road BRENDALE QLD 4500 AUSTRALIA | Locked Bag 56 St Marys DC NSW 2760 Email: freight.AP.invoice@aldi.com.au |
| ALDI Stores Ltd 84 Gallipoli Drive REGENCY PARK SA 5010 AUSTRALIA | Locked Bag 56 St Marys DC NSW 2760 Email: freight.AP.invoice@aldi.com.au |
| ALDI Stores Ltd 21 Orion Road JANDAKOT WA 6164 AUSTRALIA | Locked Bag 56 St Marys DC NSW 2760 Email: freight.AP.invoice@aldi.com.au |

For further details on invoicing refer to the Supply Guidelines of the Terms and Conditions of Purchase.

5. ALDI Freight Forwarders

ALDI Stores Freight Forwarders are:

C.H Robinson Worldwide Pty Ltd (Europe and non-Asia)

2nd Floor, Unit B1

2 - 8 McPherson Street

Banksmeadow NSW 2019

Ph: +61 2 8333 6400

Fax: + 61 2 8333 6444

Contact: Renee Roberts

Email: renee.roberts@chrobinson.com

Rohlig Australia Pty Ltd

U1, 2 Seacombe Place

Moorebank NSW 2170

Ph: +61 2 8781 8999

Mob: +61 0 429 204 911

Contact: Jordan Faure

Email: Jordan.faure@rohlig.com

Logwin Air and Ocean Australia Pty Ltd

Building 1, Level 2, Suite E2B

75 - 85 O'Riordan St

Alexandria NSW 2015

Australia

Phone +61 2 9313 7299

Contact: Sarah Lovell

Email: sarah.lovell@logwin-logistics.com

Contact: Sam Bicapoulos

Email: sam.bicapoulos@logwin-logistics.com

6. Origin Charges, Responsibilities & Requirements

The ALDI nominated Freight Forwarder will invoice the supplier for the following charges:

FOB CFS - Container Freight Station

- FCR Fee (Freight Cargo Receipt)
- LO/LO
- Delivery Order Fee
- Booking Fee
- Customs Clearance Fee (Per Bill)
- Vehicle Gross Mass Fee
- China Inspection and Quarantine Fee (If applicable)
- Telex Release Fee (If applicable)
- Customs Inspection Fee
- Document Fee

FOB CY - Factory loaded container

- FCR (Freight Cargo Receipt) / Bill of Lading / Telex Release or Express Release Fee's
- OTHC - Origin Terminal Handling Charge
- Origin Documentation
- Export Clearance
- Vessel Loading Charges
- Seal Fee's
- Vehicle Gross Mass Fee
- Origin Demurrage

Ex works - Factory packed

- Vehicle Gross Mass Fee
- Origin Demurrage
- Any additional truck waiting time incurred (after 2 hours)

The supplier is required to liaise with ALDI's nominated Freight Forwarder to facilitate international sea freight in accordance with the terms of trade in the supply contract and as outlined in the Incoterms 2010.

The below list of additional costs (but not limited to) fall under the supplier's responsibilities & any costs associated with the below list will be on forwarded to the supplier's account:

- Lot code issues
- Container packing issues causing damages
- Labelling issues
- Changes to method of container loading at origin e.g. changing from CFS to factory loaded
- Late or missing documentation resulting in wharf storage being incurred
- Exceeding maximum container weight resulting in an unpack being required at the port
- Re-work being required due to supplier fault

7. Booking with Freight Forwarder

The Product Supplier is required to complete the cargo booking with the nominated Freight Forwarder minimum 14 days prior to the contracted 'Delivery date to Port of origin'.

The Freight Forwarder will provide their cargo booking form to confirm the following;

- Product(s) and Quantities
- Gross Weight / Case and Pieces
- Type of Container (Ambient-GP/Temperature Controlled)
- Temperature Settings
- Size of Container(s) - 20'FT or 40'FT
- Number of Containers required to be delivered for stuffing / loading
- Case Dimensions (including Max loading for 20FT & 40FT)
- FCL cargo pickup date and ETD to meet the required delivery date into Australia
- FCL cargo temperature requirements
- LCL cargo required pickup date and ETA to meet the required delivery date in Australia
- Fumigation requirements (if required)
- CIQ Inspection (if required - China only)

For 'Direct' shipments, the Freight Forwarder will provide the vessel sailing schedule(s), including the 'CY' cut-off and required container configuration.

For 'CFS' shipments, the Freight Forwarder will provide the vessel sailing schedule and 'CFS' cut-off for deliveries to the nearest CFS location.

Special Buys Note: All vessel sailing schedules and container configurations provided by the Freight Forwarder are approved by the respective ALDI NSCM Assistant. Any delays to the contracted 'Delivery date to Port of origin' must be communicated to ALDI Stores and the Freight Forwarder as per the contract Terms & Conditions.

7.1 Temperature Controlled Cargo

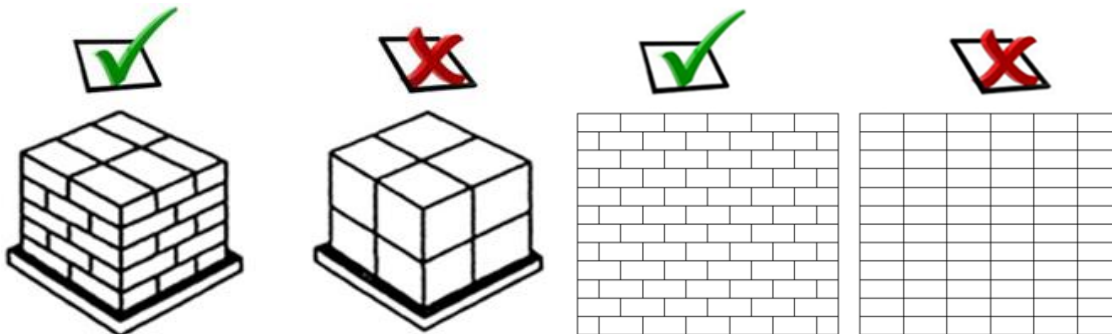
If the product(s) require temperature-controlled containers, the product supplier must inform the Freight Forwarder on the cargo booking. It is the product supplier's responsibility to ensure that the vents and temperature are adjusted as per the temperature requirements of the Product(s) prior to loading the container.

8. Container Packing Standards/Guidelines

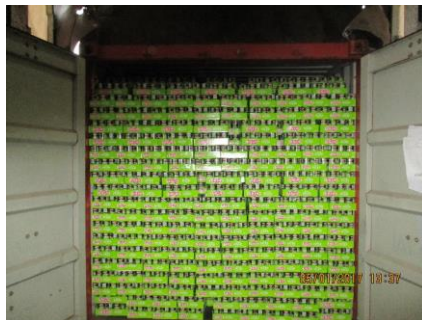
If consignments are damaged due to incorrect packing, ALDI may place a claim against the supplier if found negligible and non-compliant to this guideline.

The following information has been produced as a guideline to assist in packing containers adequately, to avoid damage to stock and injury to personnel whilst unloading. This information cannot cover all aspects of packing cargo but should be useful in covering many varieties of ALDI's cargo.

- Avoid stacking cartons in vertical columns as this creates an unstable load that will more than likely shift in transit and result in the cargo collapsing upon de-stuffing and is a safety hazard. Additional charges for extra time taken to de-stuff will be on-forwarded to the supplier if container loading is deemed to have caused the collapse.
- Containers are to be packed by PO or contract and then by product codes. Do not mix the same product code throughout different sections in the container. If product codes are not loaded together in the container, sorting charges will apply.
- All cargo should be loaded and secured to prevent damages and reduce the risk of injury to personnel unpacking the cargo once it arrives. Methods to help ensure cargo does not become a safety hazard can include but is not limited to Air Bags, Packing Out, Bracing, Safety Netting, Strapping and Anchoring.
- Safe storage can be achieved if the cartons are stacked in an interlocking fashion like bricks (Brick Stacking method as per "correct method" below). By alternating the direction of the boxes, you distribute the weight and increase load stability.



- Below is another example of how to brick stack goods to interlock the load and avoid collapsing. The direction of stacking alternates from vertical to horizontal every two layers. The pressure of the upper layer on the lower can be better distributed with intermediate layers of strong cardboard or dunnage.



***Note: It is the supplier's responsibility to pack the container safely. Any damages due to incorrect packing and stock movement in transit will be claimed back to the suppliers.**

Container Packing Guidelines cont.

- Cargo must be stacked into the container in such a way so as to minimize any possibility of movement in transit. Therefore, it is preferable if the entire volume of the container is utilised. Where this isn't possible, cargo must be stowed at an even height (Floor level) so that the entire floor of the container is covered, and weight is evenly distributed. Any charges that occur due to uneven weight distribution resulting in the container not being able to be picked up from the wharf will be on forwarded to the supplier's account.
- Heavy cargo should not be placed on lighter cargo and liquids should not be placed on top of solids. When it is intended that packages be stacked on top of each other, the strength, shape and condition of packages should be taken into consideration. Large and heavy items should be positioned in the centre bottom of the container.
- The use of airbags or netting is encouraged to ensure cargo is stable and secure and does not collapse or fall out as the container door is opened.
- Containers must be inspected internally and externally to ensure that they are seaworthy e.g. no holes, dents, excess rust, damaged door seals, damaged locking mechanism etc. They should also be free of odour, dirt, soil, mud, debris and contamination. If any of the above are visible the container must be rejected. It is recommended that photos are taken when loading containers.
- ALDI's cargo must not be packed together with any cargo of a 'dirty nature' including hazardous chemicals, pigments or dyes, oils, odour permeating cargoes.
- Extra care must be taken on the handling of fragile cargo such as glassware, stoneware and food products in glass jars to avoid damages.
- All cargo should be shipped loose unless otherwise specified. Pallets (Timber or Plastic) should **NOT** be utilized unless specified and signed off by ALDI.

Container Weight Guideline

| Container Type | Maximum Weight | Cargo |
|-----------------------|-----------------------|--------------|
| All containers | 25,000kgs | 21,000kgs |

Maximum container weights are calculated to allow for Australian road weight limits which must not exceed 25 tonnes (cargo & container weight)

Container loading with multiple Lot Codes (Batch codes)

- All containers are to be loaded sequentially i.e. in a sequence of product code and lot code i.e. where multiple lot codes exist for a product code, lot codes must be grouped together.
- To ensure cargo is staged correctly at the ALDI warehouse, clear separation is required for each lot codes packed in a container which matches vendor documentation provided.

Incorrect

| Port | of | Product | Contract | Description | Lot Code | Best Before Date | # of Cases |
|------|----|---------|----------|-------------|----------|------------------|------------|
|------|----|---------|----------|-------------|----------|------------------|------------|

| | | | | | | |
|-------------|-------|-----------|--------------|-------------|-------------------------|----|
| destination | Code | # or PO # | | | | |
| MELB | 56689 | 174082 | Bell Peppers | 32085/32086 | 15.07.2018 / 11.11.2018 | 80 |

Correct

| Port of destination | Product Code | Contract # or PO # | Description | Lot Code | Best Before Date | # of Cases |
|---------------------|--------------|--------------------|--------------|----------|------------------|------------|
| MELB | 56689 | 174082 | Bell Peppers | 32085 | 15.07.2018 | 40 |
| | 56689 | 174082 | Bell Peppers | 32086 | 11.11.2018 | 40 |

- Containers not loaded sequentially may be subject to additional sortation costs which will be on-forwarded to suppliers' account.

8.1 Dangerous / Hazardous Cargo

The Product Supplier is responsible for correctly declaring, packaging and labelling any Dangerous / Hazardous cargo for shipment as per the 'International Maritime Dangerous Goods (IMDG) Code'.

If the Product(s) are classed as 'Hazardous' or 'Dangerous' goods, the Products Supplier must inform the Freight Forwarder at time of cargo booking and provide the following documentation at a minimum;

- IMO Dangerous Goods Declaration (MO41)
- UN Code
- DG Class
- Material Safety Data Sheet (MSDS)

The MSDS must be an up-to-date version of the document in English, and must have 'Section 14 - Transport Information' completed with the following information;

- UN Number
- Flash Point
- Temperature Transport requirements
- DG Class

Note: a copy of the MSDS and MO41 documents must be provided to the respective ALDI NSCM Assistant prior to vessel arrival into Australia, as this is required for domestic transport purposes.

9. Container Freight Station (CFS)

ALDI Stores Freight Forwarders utilise 'Container Freight Stations (CFS)', which provide consolidation services in order to maximise container volumes and configure container loads for each ALDI Distribution Centre (DC) in Australia.

Currently, there are seven (6) 'CFS' locations in China and Hong Kong;

- Shenzhen
- Ningbo
- Shanghai
- Hong Kong
- Xiamen
- Qingdao

When delivering cargo to a CFS location, the cargo must be delivered 'loose' cases. Any cases which arrive at the CFS that are wet or severely damaged are to be re-packed by the supplier accordingly prior to being loaded.

Additional lead time is included to the contracted 'Delivery date to Port of origin' to provide sufficient time for delivery and consolidation at the nominated Freight Forwarder's CFS. Therefore, any delays must be communicated to ALDI Stores and the Freight Forwarder as per the contract Terms & Conditions.

If cargo volume is below 56 cubic meters (CBM) per ALDI DC Australia, the cargo will need to be delivered to the Freight Forwarder's CFS as nominated. If cargo is above 56cbm, the Product Supplier's factory can load the 40'GP or 40'HC container at the factory and book with the Freight Forwarder.

If cargo volume can fill a full 40'HC container and there is remaining stock, this will be shipped under 'Direct/CFS' terms, where full containers of cargo are filled and any overflow stock remaining will need to be delivered to the Freight Forwarder's CFS as nominated.

Products that are classed as hazardous or dangerous goods, or require temperature-controlled containers may be required to load and ship 'Direct' from the Product Supplier's factory. This will be confirmed by the Freight Forwarder once the cargo booking has been completed.

Note the destination ports will be determined by the Freight Forwarder in consultation with the Product Supplier and approved by the ALDI NSCM Assistant.

9.1 Damages

If the Product(s) are identified as damaged when delivered to the nominated Freight Forwarder's CFS, the ALDI NSCM Assistant will determine if the cargo is to be rejected, or accepted for loading and shipment. If the Products are rejected, the Product Supplier's factory will be required to collect the rejected cargo from the Freight Forwarder's CFS.

If the Product(s) are identified as damaged upon opening of the containers in Australia or after delivery into the relevant ALDI Stores Distribution Centre, an investigation will follow to determine the cause. If the Product Supplier is identified as liable for the damages, a notice and claim may be provided in writing.

9.2 Shortages / Extras

If the Product(s) are delivered to the nominated Freight Forwarder's CFS with short or extra cargo, the ALDI NSCM Assistant will determine if the cargo is to be accepted for loading and which ALDI Australia DC will be assigned the short / extra stock.

At the time of de-stuffing / unpacking the container or after delivery into the relevant ALDI Stores Distribution Centre, the ALDI Stores representatives will count the total number of cases received to confirm the relevant ordered quantity has been delivered. If it is identified by the ALDI Stores representatives that there is a shortage against the commercial invoice and/or packing list or delivery docket, a notice and claim may be provided in writing.

10. Commercial Documents

The Product Supplier is required to provide the following documentation / information as a minimum for shipping and statutory requirements;

- 1) Commercial Invoice
- 2) Packing List
- 3) Packing Declaration
- 4) Certificate of Origin for products imported from a country that has a trade free agreement with Australia;
 - a. A copy of the original Certificate of Origin is required to be kept for five (5) years for auditing purposes
 - b. The original Certificate of Origin is provided to the relevant ALDI Freight Forwarder
- 5) Fumigation Certificate, if any wood is part of the product or packing material
- 6) The Product Supplier must ensure their factory provides the ALDI Freight Forwarder's office based in the country of origin a "Telex Release" for Bill of Lading 7 days after vessel departure from origin

Customs Clearance Documentation needs to be provided to ALDI Freight Forwarder at port of destination **7 days prior** to vessel arrival into Australian ports.

Failure to provide the above mentioned documents prior to the vessel arrival date may result in additional administration, wharf storage and shipping line detention fees. If incurred, these charges will be passed onto the Product Supplier's account.

10.1 Fumigation Certificate

If the Product(s) require fumigation, a valid 'Fumigation Certificate' must be provided and include the following information at a minimum;

- Treatment Provider letterhead
 - Product(s) from China must be on a 'China Inspection & Quarantine (CIQ) Services' letterhead.
 - The Australian Government 'Department of Agriculture and Water Resources (DAWR)' provides a list of offshore treatment providers in countries that participate in the 'Australian Fumigation Accreditation Scheme (AFAS)'. Refer to their website for further information:
<http://www.agriculture.gov.au/import/before/prepare/treatment-outside-australia/afas/providers>
- Certificate Number / AFAS Registration Number
- Target of the Fumigation Details
- Consignment Link
- Consignment Details

- Treatment Details
- Declaration
- 'Plastic Wrapping' Declaration, if applicable

For further information on the above requirements, please refer to the 'AFAS Methyl Bromide Fumigation Standard' via the below website:

<http://www.agriculture.gov.au/import/arrival/treatments/treatments-fumigants>

Note: Fumigation certificates from CIQ China provide additional security features, which must be visible on any copies provided by scanning the document on the darkest setting. These features are;

- CIQ Symbol on the letterhead
- 'Copy' watermark displayed diagonally across the document
- CIQ watermark in the center of the page
- Certificate barcode

10.2 Documentation requirements for Import Permits

The ALDI NSCM Assistant may require the Product Supplier's assistance to obtain import permits and request the following information to be provided;

- 1) Manufacturers Declaration
- 2) Breakdown of Ingredients for each Product

Additionally, the ALDI NSCM Assistant may request that the Product Supplier complete a 'Production Questionnaire', which is obtained from the Australian Government, Department of Agriculture, Fisheries and Forestry (DAFF) and will be provided to the Product Supplier.

Note: This documentation must be provided prior to the vessel departure in order to assess if an Import Permit is required for the Product(s).

Under the 'Biosecurity Act 2015' which came into effect on 16 June 2016, goods that require an Import Permit must be applied for and approved prior to the arrival of the goods in Australia. Import Permits must be obtained prior to export for country of origin as they can no longer be applied for retrospectively and goods that arrive in Australia without an approved Import Permit may be re-exported or destroyed.

11. Free Trade Agreements

Free trade agreements provide a mechanism for the facilitation of trade in goods. Below is a list of all countries that have current Free Trade agreements with Australia. Free Trade Agreements allow certain goods to be imported into Australia from various countries at a reduced duty rate; however, importers are required to provide certain documentation in order to claim reduced duty rates.

- [ASEAN-Australia-New Zealand](#)
- [Canada](#)
- [Chile](#)
- [China](#)
- [Developing countries / least developed countries](#)
- [Forum Islands \(including Fiji\)](#)
- [Japan](#)
- [Korea](#)
- [Malaysia](#)

- [New Zealand](#)
- [Singapore](#)
- [Thailand](#)
- [United States](#)

China Australia Free Trade Agreement (ChAFTA)

The China / Australia Free Trade Agreement (ChAFTA) formally commenced on the 20th of December 2015.

In order to claim a concessional duty rate, the following documentation is required:

- A Certificate of Origin (COO)
 - China's authorised bodies to issue a COO are:
 - AQSIQ (General Administration of Quality Supervision, Inspection and Quarantine) where the actual certificates will be issued by provincial Entry-Exit Inspection and Quarantine Bureaus, which are administered by AQSIQ. Refer to their website for further information: <http://english.aqsiq.gov.cn/>
 - CCPIT (China Council for the Promotion of International Trade. Refer to their website for further information: <http://www.bizchinanow.com/>
 - is valid for 12 months from the date of issue or, if issued retrospectively, 12 months from date of shipment
 - is required for each consignment (e.g. One COO for each house bill of lading)
 - The exporter or producer must sign the COO
- A Declaration of Origin (DOO)
 - DOO's are completed by the exporter or producer
 - Can be used in place of a COO
 - Can only be issued if the goods are covered by an advance origin ruling issued by Australian Border Force (ABF) – advance rulings are valid for five years
 - Suppliers are to lodge an application for a ChAFTA origin advice ruling to Australian Border Force (ABF). Suppliers can contact ABF for further information via email: chafta@border.gov.au or refer to their website: www.border.gov.au
 - is valid for 12 months from date of issue
 - is required for each consignment (e.g. One DOO for each house bill of lading)

It is expected that all ALDI FOB imports from China into Australia are accompanied with a COO or a DOO. The Product Supplier must ensure that a copy of the COO or a DOO is provided to the nominated Freight Forwarder prior to the shipment arriving in Australia.

Additionally, the commercial invoice provided to the Freight Forwarder for clearance purposes must show the "factory invoice number" as a link to the China / Australia Free Trade Agreement.

The factory invoice number noted on the COO links the form to the current shipment.

Further information and a sample COO and DOO can be found on the Department of Foreign Affairs and Trade website via the below link: <http://www.border.gov.au/FAQs/Pages/where-find-chafta-certificate-origin.aspx>