Honeywell

Date: August 2023 Marketing Bulletin HW23.11

To: All Engineered System Distributors (ESD)

Master Packs – Ordering Quantity Policy Update

At Honeywell, we are always striving to create supply chain efficiencies and improve delivery performance in ways that benefit both our Partners and the environment. We are pleased to share an update regarding our Master Pack initiative that we believe will better cater the unique needs of our customers while promoting sustainability.

Effective October 1st, 2023, we are simplifying our quantity ordering process and focusing solely on SKUs with a Master Pack size of ten (10) units. This simplification is designed to enhance order management by offering a standardized quantity of ten (10) for select SKUs. The availability of specific products in Master Packs of ten (10) units aims to improve order processing efficiency. Customers will have the following ordering options:

- Minimum Order Quantity (MOQ) (10 units or greater) at current list prices.
- Order quantities below the Master Pack size (1 – 9 units) at a 10% price premium.

This policy takes into account partner feedback while improving order processing, minimizing shipping costs and issues, and enhancing sustainability.

We will continue to standardize Edge devices (Detectors, AV appliances, Modules, Pull Stations, etc.), SKUs to Master Packs of ten (10) and will extend this ordering policy to those SKUs as appropriate via the price book. For a comprehensive list of SKUs now available in Master Packs of ten (10) that relates to this policy, please refer to the latest edition of our Price Books.

If you have any questions or require assistance, please contact your Regional Sales Manager or Customer Service Representative.

Thank you for your business and continued support of Honeywell Fire products.

Sincerely,

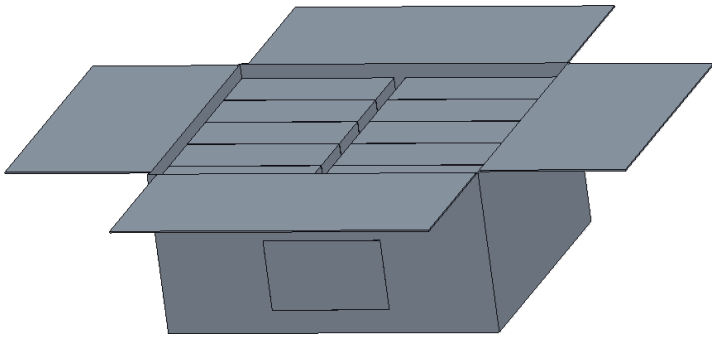
Ahmad Althwabteh
Senior Offering Manager

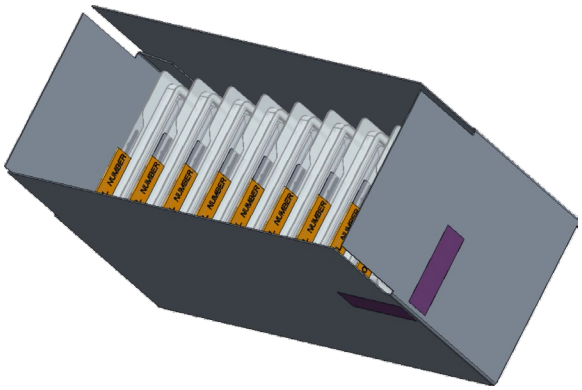
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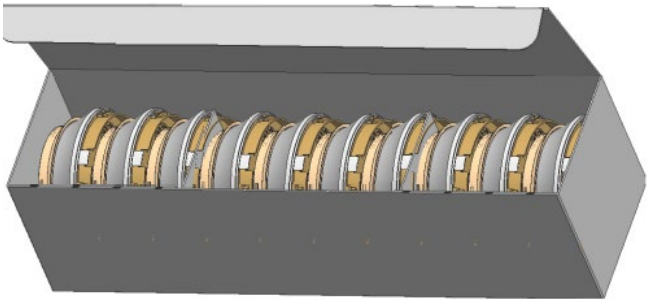
Master Pack / Bulk Pack FAQs

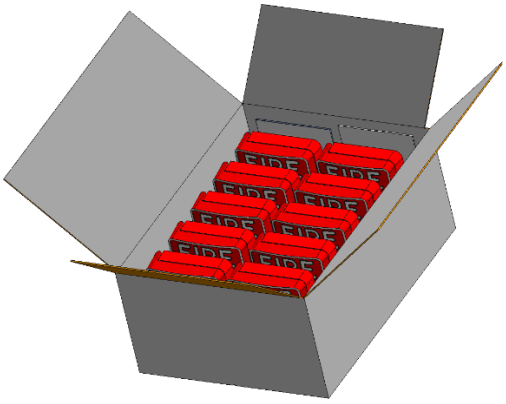
What is a Master Pack (MP)?
A Master Pack is a specific quantity of individually packed devices packed in an outer box or shrink-wrapped together, with each item having its own individual box.





What is a Bulk Pack (BP)?
A Bulk Pack is a specific quantity of devices packed together in one box, without individual boxes for each item.





What is the difference between a Bulk Pack and a Master Pack?
A Bulk Pack does not have individually packed boxes for each item and is sold as one (1) unit (e.g., 1 Bulk Pack includes ten units). At the same time, a Master Pack has individually packaged boxes for each item and is sold as a specific quantity of individually packed units. (e.g., Ten units constitute a Master Pack)

What is the Master Pack unit of measure (UoM) to place orders?
The UoM of Master Pack is each (EA). Please follow the Master Pack quantity noted in the price list.

How many SKUs are being impacted by the switch to Master Packs?
The focus is on all Edge devices (Detectors, AV appliances, Modules, Pull Stations, etc.), and around 1442 SKUs are being analyzed to switch to Master Pack. Please refer to the latest price list for the current SKUs with Master Pack quantities.

Will the Master Pack have new SKUs?
No, SKU will remain the same and based on the ordered per line qty (below/above) MP qty the price would change.

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Why is this change happening?
Honeywell is implementing logistical enhancements to expedite deliveries and streamline material handling in response to worldwide logistical hurdles. The utilization of Multipacks (BP & MP) will facilitate more efficient shipping and optimized material handling to support better delivery performance for our customers.

What is in this for me as a customer? How will switching to Master Packs or Bulk Packs improve my shipments?
The use of Master Pack will improve delivery by speeding the movement between facilities and optimizing the order fulfillment process. It will lower shipping costs by optimizing the quantity included per shipment. Bulk Packs reduce shipping costs, speed up device counts upon receipt of the product and require less inventory space. They further minimize pick/pack errors caused by opening cartons, improving shipping accuracy. Lastly, because they eliminate individual boxes, Bulk Packs reduce the amount of waste that must be removed from job sites.

Who can I contact if I need clarification on the Master Pack/Bulk Pack quantity?
Please reach out to customer service if you have any concerns.

ORDERING

What are my options for ordering products with a Master Pack quantity in the price list?
For the SKUs with a Master Pack quantity in the price list column labeled “Master Pack Quantity,” you will have the following ordering options:

- Minimum Order Quantity (MOQ) of Master Pack quantity (10 units or greater) at **current prices.**
- Order quantities below the Master Pack size (1 – 9 units) at a **10% price premium.**

. You can also order a Bulk Pack if a Bulk Pack SKU is available for that specific product.

Does every SKU have the same Master Pack quantity?
We are proceeding with the SKUs having a MP of 10, and we will standardize the remaining Edge Devices SKUs to be in a pack of 10 and add it to the price books to follow the same policy.

Does every SKU have the same Bulk Pack quantity?
Most Bulk Pack products have ten (10) devices unless specified otherwise in the SKU/product description.

Can I order singles or a quantity other than the Master Pack quantity?
Yes, However, any order less than MP qty would have a price premium of 10% to the list price. Please refer to the latest Price Books for the list prices.
If you order a minimum of a MP qty (10) or greater (11,12, 13, etc.), it will remain at current prices.

What if I order via email or EDI with a quantity other than the Master Pack quantity?
As long as the order info is matching the correct listed price for the quantity you ordered, the order will be placed. However, If POs are placed with wrong prices, CS will reject the order and request you to revise accordingly to process the order.

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How can I keep track of the cost of a job if I have to order in bulk quantity?
You can calculate the cost of the devices used in your current project, and the remaining unused devices would be in your stock for future projects and maintenance requirements.

What is the price difference between Master Pack (MP) and Bulk Pack (BP) if they exist for the same product?
The BP option would have a better commercial advantage.

If I need 15 pcs, and the Master Pack only comes in 10, what would be the list price followed?
In this case, the list price would remain the current list price.

If I need 7 pcs, and the Master Pack only comes in 10, what would be the list price followed?
In this case, the list price would have a 10% premium to the current list price.

WARRANTY

What is the warranty for Master Pack and Bulk Pack?
The warranty remains the same for each SKU/product.

RETURNS

What happens if I have a return?
It will follow the standard return procedure/policy in your contract.

If there is an RMA and I want a replacement unit, will I be getting the replacement of the same list price?
Yes, if you're requesting a replacement order when providing an RMA, and the RMA was accepted, CS will create a replacement order with the same list price in the original order line for that specific product.