

2022 Policies Announcement: Minimum Order Value and PO Acceptance Policy

Dear Customer,

At Honeywell, we understand the importance of service and strive to improve our performance to exceed our customers' expectations.

One of the challenges we currently face is a high number of orders with missing or inaccurate information, high volumes of orders with small values. This results in longer processing times, incorrect purchase order processing, risk of disputes and late payments, delays in fulfilling and delivering the order.

To aid to this, the aim is to:

1. Streamline the high number of small value orders and improve our services end to end, by implementing a new **Minimum Order Value Policy**.

This will go into effect on September 15, 2022. All new quotations and orders entered from September 16, 2022, with shipments scheduled within our published lead times will follow the new policy as outlined below.

Handling Minimum Order Value

The minimum value of Product Orders acceptable for Honeywell is \$1000 (*or the equivalent in the local currency*). Should the value of an Order fall below this purchase price of \$1000 (*or the equivalent in the local currency*), Honeywell is entitled to decline the order. This excludes shipment and handling costs whenever appropriate.

2. Ensure successful and faster order processing, minimize invoice disputes or late invoice payments due to order entry errors, by implementing **Customer Order Acceptance Criteria**.

All Customer POs must be in electronic format in clear text:

Accepted formats are PDF, Word, Excel, body of an email, etc.

Not accepted formats: Handwritten POs, Scans/Image files

List of Critical Data Elements will include, but is not restricted to:

- Customer legal name and address
- Customer PO number
- Ship to address (must have Country)
- Requested Delivery date or Delivery schedule for multiple shipments
- Payment term
- Tax information
- Technically validated part numbers, or BOM
- Prices, Quantities, and UOM per line for each material
- PO Total Net Value
- Selling Currency
- Terms and condition regarding delivery (Inco Terms and descriptions), invoicing

**This is not a limited list, specific businesses/regions can document additional mandatory fields as required*

If one or more of the Critical Data Elements is not present on the Customer PO, or the document is handwritten, the order will not be processed in the SAP system.

The appropriate Customer Contact will reach out to obtain the correct information / revised PO before the order can be accepted, given that all the future Orders will respect Acceptance Criteria.

Should you have any questions, please contact your Honeywell Sales Representative.

Kind Regards,

Honeywell