

# International Sales Meeting

## London, September 9<sup>th</sup> 2013

### Minutes of Meeting

Anders Lassen, Clip-Lok International (CLI)	- AL
Tylan Kaae, CLI	- TK
Gustaf Follin, Scandinavia	- GF
Allan Nolsøe Hansen, Scandinavia	- ANH
Roger Tillberg, Scandinavia	- RT
Andy Gower, USA	- AG
Mike Lie, USA	- ML
James Milne, UK and RSA	- JM
Gáspár Mihálffy, Hungary	- GM

*Please note: This document is a supplement to the set of presentations from the sales meeting. Most of the presentations are very detailed and include all of the information that was shared at the meeting. Any additional relevant comments or information are written in these minutes.*

	<u>Action</u>
<p><b>1. Welcome</b> - Anders Lassen, CLI</p> <ul style="list-style-type: none"> <li>• Clip-Lok SimPak is celebrating 25 years of business.</li> <li>• Make use of those 25 years of experience through use of our library of successes and by working together.</li> <li>• We are obliged to give good service.</li> <li>• By meeting with each other like this, we can obtain a much better and easier cooperation.</li> </ul>	
<p><b>2. Key Markets - Status and future developments</b> - Anders Lassen, CLI</p> <ul style="list-style-type: none"> <li>• Seek out tier 1 and tier 2 suppliers to the premier league brands – they are the ones growing at this point of time.</li> <li>• The OEMs for cars are a source of information, but deliveries to the assembly lines are typically made in steel racks, plastic containers and trays. Wood is in most cases not favored due to fibers/splinters</li> <li>• For aircrafts also seek opportunities for transport of interior panels, luggage compartments and chairs</li> </ul>	ALL
<p><b>3. The Clip-Lok website and social media – status and strategy for the future</b> - Tylan Kaae, CLI</p> <ul style="list-style-type: none"> <li>• We should have a company profile on Linked In.</li> <li>• “Request a quote” form will be added to our website in 2014.               <ul style="list-style-type: none"> <li>• A comment was made that people should be able to give info about existing packaging.</li> </ul> </li> <li>• What are the best keywords for our website? TK will contact everyone about this.</li> </ul>	TK TK  TK
<p><b>4. Marketing - Why and how?</b> – Tylan Kaae, CLI</p> <ul style="list-style-type: none"> <li>• CLSS in Scandinavia spend a considerable amount of funds in marketing through exhibitions and web listings in directories. The return is good. AL recommends everyone to do the same. It is good business.</li> </ul>	ALL
<p><b>5. Sharing Pictures and successes</b> - Tylan Kaae, CLI</p>	

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<ul style="list-style-type: none"><li>Please refer to the presentation.</li></ul>	
<p>6. <a href="http://www.Kompass.dk">www.Kompass.dk</a> / <a href="http://www.kompass.com">www.kompass.com</a> - World wide B to B search engine - Gustaf Follin and Allan Nolsøe Hansen, Clip-Lok SimPak (Scandinavia)</p> <ul style="list-style-type: none"><li>Allan gave a demonstration of how to search on Kompass. www.kompass.dk log in: User name: dk52560 Password: 17406434</li><li>All partners are welcome to check-out Kompass using the license of Clip-Lok SimPak (Scandinavia) ApS.</li><li>Any partner wishing to subscribe to Kompass can do so at a reduced fee due to the Scandinavian subscription – please see attached proposal from Kompass.</li></ul>	ALL  ALL
<p>7. <b>ParBox and Catia – The future</b> - Anders Lassen, CLI</p> <ul style="list-style-type: none"><li>Please refer to the presentation.</li></ul>	
<p><b><u>Key Markets</u></b></p>	
<p>8. <b>Defence, The US Marines</b> - Andy Gower, packIQ</p> <ul style="list-style-type: none"><li>To gain access to the US Marine Corps, packIQ is working together with MSC Industrial Supply Co being a preferred supplier to the Marine Corps of Non Defense Products. Through MSC, an extensive range of products have been listed at the GSA (Government Sourcing Agency). AG presented a very detailed packaging sequence with details of loading each article in place as had been done for the customer (Albany Marine).</li><li>Nato stock number – follow up, Andy will check up on this. - (AG has checked up and the boxes listed on the GSA do not have Nato Stock Numbers, but the GSA listing is considered stronger for government sourcing in the US)</li></ul>	
<p>9. <b>Defence contractors, Kongsberg RWS</b> - Allan Nolsøe Hansen, Clip-Lok SimPak (Scandinavia)</p> <ul style="list-style-type: none"><li>This segment is very important for Clip-Lok, big potential. Kongsberg has provided the US armed forces with 13.000 units and another 6.000 units have been ordered.</li><li>AL recommended everyone to locate manufacturers of RWS (Remote Weapon Systems) in their respective markets and present our solution.</li></ul>	ALL
<p>10. <b>Automotive, Volvo Truck Cabin Plant</b> - Anders Lassen, CLI</p> <ul style="list-style-type: none"><li>A new Volvo model was introduced in 2012 so there are <i>new parts = opportunities</i>.</li><li>We have a 25 year long relationship with Volvo.</li><li>We have won three contracts: Windshield box:<ul style="list-style-type: none"><li>We have introduced a steel pallet which maintains the function of the clips.</li><li>Holds 27 windshields.</li><li>Used on the assembly line.</li><li>Polyurethane dunnage is used for windshield boxes.</li></ul></li></ul>	

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**Action**

- All dunnage is flat-packed in the box.

Side glass box:

- Left or right side glass can be placed in the same box.
- Robots unpack the boxes on the assembly line.
- Polyurethane dunnage.
- All dunnage is flat-packed in the box.

Door extension box:

- Left or right side glass can be placed in the same box.
- Polyurethane dunnage

- AL recommended everyone to present these solutions to truck manufacturers and other manufacturers of large heavy earth moving equipment and farming equipment in their respective markets.

ALL

**12. Emergency units, Aquafence** - Allan Nolsøe Hansen, Clip-Lok SimPak (Scandinavia)

- Aquafence currently has great success on Manhattan, New York.
- Due to the thin, yet strong walls of 12mm Clip-Lok, we have managed to squeeze in one additional extra part per box which pays off for the client in terms of 10% higher packaging density.
- ANH played video showing a simulated drop test with a forklift where the only damage was a clip falling off.
- CLSS has sold 800 boxes so far.
- AL recommended everyone to locate manufacturers of flood guard equipment in their respective markets and present Clip-Lok to them. It is a fast growing market due to the world wide increase in floods.

ALL

**13. New clips development** - Anders Lassen, CLI

- Anders showed two new concepts for clip solutions under development which resulted in a lot of interest from the meeting participants. CLI has applied for patents for both of the concepts.
  - One-way clips
    - Ejection molded plastic clips.
    - The clips are locked together with a lever that hooks the end parts together.
    - The clips have smooth sides that won't make any sharp ends.
    - No tools are needed to open or lock the box.
    - It is possible to reuse the box a limited number of times.
    - Estimated to be 40% cheaper than traditional clips.
    - The aim is to compete in the Nefab market.
    - Thinner materials can be used. This reduces: 1. Cost of material. 2. Weight of the packaging
    - The cnc machining can be made at nesting tables, and it is the aim that overall cnc machining time will be reduced. Machining at DET will be more time consuming than present.
    - A connection is made between both legs of the clip to prevent twisting and heat effect.
    - Disadvantages:

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<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ The connecting item between the legs takes up space in the box. We will try to make the connection ratio lower and still retain the strength.</li> </ul> </li> <li>• This is a great solution, all parties agree</li> </ul> </li> <li>• Releasable clips           <ul style="list-style-type: none"> <li>• The concept is based upon our current clip with the same production process and strength characteristics.</li> <li>• Potential customers:               <ul style="list-style-type: none"> <li>• Relief aid</li> <li>• Emergency units</li> <li>• Defence</li> <li>• Defence contractors</li> </ul> </li> <li>• Industry segment is not believed to be a potential market for this application.</li> <li>• Would the industry with a closed loop invest in a more expensive clip?</li> <li>• Potential negative side:               <ul style="list-style-type: none"> <li>• The clips could be driven off if the release flap is out of position.</li> <li>• When box is flat packed, the release flap is on top of the lid – will this be a problem? Will the next box damage the clips?</li> </ul> </li> <li>• Is this only a matter of pricing?               <ul style="list-style-type: none"> <li>• When implemented it would be hard for competitors to compete.</li> <li>• 5% to 10% price increase (total box cost) – would this be acceptable?</li> </ul> </li> <li>• Next step:               <ul style="list-style-type: none"> <li>• Get clips to the sales people to introduce to market                   <ul style="list-style-type: none"> <li>• The earliest prototype tooling and samples can be finished is during first qtr. 2014</li> </ul> </li> <li>• We have 1 year from now to identify the potential.</li> </ul> </li> </ul> </li> <li>• AL stressed that these clips were under development and he hoped that one or both products will be finished successfully for introduction into the market place during 2014.</li> </ul>	<p style="text-align: center;">CLI</p>
<p>14. <b>Closing remarks</b> - Anders Lassen, CLI</p> <ul style="list-style-type: none"> <li>• Original Equipment Manufacturers such as the defense contractor Kongsberg and manufacturers of, for example, flood equipment are the most interesting types of markets to grow. However, the sales process is normally long. As a consequence we recommend that you keep a balance also working with the automotive industry and the defense, where we have a tradition for getting business. We are still missing our “third leg”, what should our “third leg” be? Maybe it will be the new 1-way Clip-Lok box. Please tell us about your ideas and thoughts and we will work together with you to test potentials</li> <li>• Let us exchange views on the new trends. Flood prevention equipment and sewage system replacement are such new trends. What is next??</li> </ul>	<p style="text-align: center;">ALL</p> <p style="text-align: center;">ALL</p>

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### Action

- We are stronger together than we are as a one-man band.

