



Supplier Standards Manual

Rev: Initial Release

The purpose of the IZZY+ Global Supplier Standards manual is to communicate requirements and expectations of current and potential suppliers. It is the expectation of IZZY+ that all suppliers of direct material and, as applicable, indirect material and services, comply with the expectations and requirements documented in this manual. IZZY+ expects that, through clear communication and definition of expectations, both parties can more effectively achieve success.

Scope

This manual applies globally, to all IZZY+ suppliers of direct material, as well as suppliers of indirect material and services as defined herein.

Chapters

1. General
2. Tooling
3. Quality
4. Material and Logistics

Chapter 1: General Requirements

1. General Expectations:

1.1 Management Standards - IZZY+ holds an expectation of our suppliers to demonstrate their commitment to quality. Evidence of this commitment is the implementation of appropriate quality management standards. Failure to comply with minimum requirements will impact the supplier's ability to continue business with IZZY+

1.2 Supplier Development - IZZY+ is committed to working in partnership with our suppliers to establish development plans which ensure compliance to, and continuous improvement toward, the requirements set forth in this manual. IZZY+ will establish the development priorities as it sees fit, based on resource availability and impact to the business, but will always make its best effort to assist wherever practical.

1.3 Annual Information Submission – All IZZY+ suppliers must submit, inclusive of all of their plants shipping product into any IZZY+ plant, the following information annually no later than January 1st:

1. Updated Contact List (corporate and plant specific)
2. Quality Certification (each plant)
3. NAFTA Country of Origin-COO (consolidated-all parts)
4. Updated or renewed blanket certificates or Manufacturers Affidavits covering all parts provided to IZZY+ (if applicable)
5. Conflict Mineral report
6. Minority Report



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2. Global Terms and Conditions

2.1 Terms and Conditions Access - IZZY+ Global Terms and Conditions may be accessed on our website www.izzyplus.com. If a supplier is unable to access the document, please contact your buyer for assistance. The Terms and Conditions are the governing document for any quote, and are the basis of the agreement between the supplier and IZZY+ unless otherwise declared in another agreement signed by both parties.

3. Social and Environmental Responsibility

3.1 Introduction -One of our corporate values is referred to as ‘Steward our Legacy’ and is defined as preserving the legacy of our founders while reinventing the business for the next generation. Two ways we live and demonstrate this value are by investing in businesses, people, and communities for the long term, and by taking personal responsibility for health, safety, and our environment. From this it becomes clear that Social and Environmental Responsibility are foundational elements of who we are. Furthermore, since our supply base is an integral part of our business and team, and is a reflection of IZZY+ and the values we uphold, it is our expectation that our suppliers conduct their operations in a socially and environmentally responsible manner that complies with all applicable laws and regulations.

3.2 Requirements

3.2.1 Labor and Human Rights

3.2.1.1 Suppliers shall prohibit the use of child labor and ensure the age of employment is in accordance with local labor law.

3.2.1.2 Suppliers shall prohibit the use of forced, bonded, indentured, or involuntary prison labor. All work must be voluntary; workers shall not be forced to hand over government issued identification, passports, or work permits as a condition of employment unless required by local law.

3.2.1.3 Suppliers shall ensure working hours comply with applicable local law regulating hours of work.

3.2.1.4 Suppliers shall provide compensation and benefits that are competitive and in compliance with applicable wage laws including those related to minimum wages, overtime hours, and legally mandated benefits.

3.2.1.5 Suppliers shall maintain workplaces that are free from harassment or discrimination against employees in any form. This includes but is not limited to gender, race, color, caste, disability, veteran status, union membership, political affiliation, national origin, religion, age, marital status, pregnancy, or sexual orientation.



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3.2.1.6 Suppliers shall maintain workplaces that are free of physical or mental harassment, abuse, or any other behavior that diminishes a person's integrity or self-esteem. This includes but is not limited to harsh and inhumane treatment in the form of sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers.

3.2.1.7 Suppliers shall maintain workplaces where workers can communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment.

3.2.1.8 Suppliers shall respect voluntary freedom of association including the right to organize and bargain collectively in a manner that is legally compliant. Where worker representation and collective bargaining are restricted by law, efforts should be made to facilitate open communication and direct engagement between workers and management as an alternative way of ensuring worker rights, views, and needs are considered and acted upon appropriately and in good faith.

3.2.1.9 Suppliers shall maintain a workplace where workers have a safe and healthy working environment that meets or exceeds applicable standards for occupational safety and health.

3.2.1.10 Suppliers shall undertake reasonable due diligence to assure that any of the specified 'conflict minerals' as listed in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 are sourced from smelters or mines outside of the 'conflict region' or from mines and smelters independently certified as 'Conflict Free'.

3.2.1.11 Suppliers shall not retaliate or discriminate against workers for exercising their rights in compliance with local laws and regulations.

3.2.2 Health and Safety

3.2.2.1 Suppliers shall eliminate safety hazards and take precautionary measures that guard against accidents and occupational diseases. These hazards should be controlled through proper design, engineering/administrative controls, preventative maintenance, safe work procedures, and ongoing safety training. Where hazards cannot properly be controlled by these means, workers shall be provided appropriate and well maintained personnel protective equipment.

3.2.2.2 Worker exposure to chemical, biological, or physical agents is to be identified, evaluated, and controlled. Engineering or administrative controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, suppliers shall provide appropriate personal protective equipment programs.



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3.2.2.3 Emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures.

3.2.2.4 Procedures and systems are to be in place to prevent, manage, track, and report occupational injury and illness, including provisions to: a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate cases and implement corrective actions to eliminate root causes; and e) facilitate the return of workers to work.

3.2.2.5 Workers shall be provided with ready access to clean toilet facilities and potable water. If the company provides food and housing to workers the company shall provide sanitary food preparation, storage, and eating facilities. Worker dormitories provided by suppliers or a third party agent shall be maintained in a clean and safe manner and shall have appropriate emergency egress, adequate heat and ventilation, reasonable personal space, and entry and exit privileges.

3.2.2.6 Exposure of workers to the hazards of physically demanding tasks shall be identified, evaluated, and controlled.

3.2.2.7 Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

3.2.3 Ethics

3.2.3.1 Suppliers shall prohibit any and all forms of corruption, extortion, embezzlement, bribery, excessive gift giving, or other means of obtaining undue or improper advantage. Monitoring and enforcement procedures shall be implemented to ensure compliance.

3.2.3.2 Suppliers shall properly disclose, transfer, and protect business information, customer information, and intellectual property rights in accordance with applicable requirements and contractual obligations.

3.2.4 Environmental

3.2.4.1 Suppliers should adopt an environmental management system compliant with ISO 14001:2004.

3.2.4.2 Suppliers shall conduct business in a sustainable manner that places the least practical burden possible on the environment while protecting the health and safety of the public.



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3.2.4.3 Suppliers shall obtain, keep current, and adhere to all laws and regulations requiring environmental permits, approvals, and registrations.

3.2.4.4 Suppliers shall identify and manage materials that pose a hazard if released to the environment and are to ensure safe handling, movement, storage, recycling or reuse, and disposal of such materials in accordance with local law and regulations.

3.2.4.5 Suppliers shall identify, monitor, treat, and control air emissions, wastewater, and solid waste prior to discharge or disposal as required by local law and regulations.

3.2.4.6 Suppliers shall prohibit the use of restricted or prohibited substances, materials, or waste pursuant with applicable laws, regulations, and contracts.

3.2.4.7 Waste of all types, including water and energy, are to be reduced or eliminated at the source by practices such as modifying production, maintenance and facilities processes, materials substitution, conservation, and recycling and re-use of materials.

4. Performance Monitoring

4.1 Purpose -The IZZY+ supplier report card is a tool for both suppliers and internal team members to measure and monitor the performance metrics necessary to support our organization. The report card also provides some of the metrics to help monitor trends that are inputs to future IZZY+ sourcing decisions. The expectation is that suppliers maintain a scorecard rating of 95 points or greater. In the event that the 6 month supplier scorecard is below 95 points, a Vendor Interaction Review may be initiated.

4.2 Applicability: Scorecards will be provided monthly to IZZY+ Production suppliers.

4.3 Scoring Calculation- The supplier ratings will start with 100 points and deductions are determined based on the severity of the effect on IZZY+ operations.

4.3.1 "A" Rank – 10pts: This is a severe level indicating a quality /delivery/service issue that affects performance with its customers. Examples include (but are not limited to):

- Customer reject
- Missed delivery to customer

"A" Rank VI's require urgent response and frequent communication with operations to ensure the highest priority of containment and problem solving efforts.

4.3.2 "B" Rank- 5pts: This covers one or more of the following conditions:

- Repeat Failure mode in last 6 months
- Significant disruption to operations

"B" Rank VI's require containment confirmation (at IZZY+) and effective problem solving. IZZY+ does not have a required format for a corrective action response.



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4.3.3 “C” Rank – 3pts: This is a non-conforming condition that does not fit an “A” or “B” rank and requires informal corrective action. On site containment may be required.

4.3.4 “D” Rank – 0pts: This is a condition that generally is not a literal nonconformance or falls under a limited line accumulation agreement. The objective of a “D” rank is to communicate the “Voice of the Customer” and drive continuous improvement initiatives.

4.3.5 Continuous Improvement Points- These points follow the same ranking and point structure but are additions to the supplier score due to going above and beyond IZZY+ requirements. Examples include (but are not limited to):

- Cost Reductions/Implemented savings
- Lead time improvements
- Continuous improvement/supplier development

4.4 Disputes - The supplier must address any dispute of a VI within 5 business days of receipt. The dispute must be in written format with supporting documentation. The dispute should be submitted to the appropriate IZZY+ personnel depending on the nature of the issue. Quality dispute issues shall go to the Quality Manager and Delivery/Customer Service/Commercial issues shall go to the Buyer. IZZY+ will provide a final response to suppliers (yes or no) within 10 business days of a completed dispute response. In the unlikely event of lack of resolution, escalation may be made through the Supply Chain Manager.

5. Engineering Requirements

Engineering support from our suppliers for product feasibility, product design, and tooling design / approval may be required for a particular program and/or product. Suppliers shall support design reviews and other collaborative efforts to support the best value solutions for tools, products, and services.

The current CAD platform is Creo/Pro Engineer and will accept Native and Export CAD files. IZZY+ expects data for any tooling or product design to be available upon request.

6. Program Management Expectations

IZZY+ expects that our suppliers will appropriately staff their team to manage the program requirements of the business they have, as well as the business they seek, with IZZY+. Launch support must be made available by the supplier to support activities including, but not limited to, the following:

- Supplier Kick-off Meetings
- Design Reviews
- VAVE initiatives
- Build events at supplier and IZZY+
- Supplier Readiness Reviews



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7. Procurement/Commercial Requirements & General Service Expectations

IZZY+ purchasing expectations are as follows:

- Suppliers shall provide a cost breakdown form, with complete information, upon request
- Suppliers must clearly note the cost change, and reason for said change, on their cost breakdown for quotes related to revisions in the product being quoted
- Suppliers will be required to participate in Business Reviews as scheduled
- In addition to following the quality processes set forth in this manual, the supplier is required, as soon as a change is determined to be probable, to immediately inform the buyer and engineer prior to any product or process changes, including changes in manufacturing location. IZZY+ approval is required prior to change being implemented. Approval may require additional supporting documentation and testing as determined by IZZY+.

Chapter 2: Tooling

1. Introduction

Tooling and Equipment is a critical element of product design, product safety, and process safety. As such, all suppliers to IZZY+ shall provide tooling and/or equipment that meets defined IZZY+ requirements.

IZZY+ Tooling:

1.1 Definition- IZZY+ Tooling is defined as tooling built by a tooling supplier and provided to IZZY+ for internal use.

1.2 Credit/Payment Terms- Terms of payment will be negotiated on case by case basis.

1.3 Builder of Record- Suppliers shall be the tool 'Builder of Record' for all tools and/or equipment produced in their facilities as well as all tools produced in any subcontracted facilities. This means that the supplier is solely responsible for the performance of its subcontractors which will include, but not be limited to: timing commitments, tool quality, data integrity, tool functional try-outs, quoted cycle times, shipment, delivery, adherence to applicable tool standards, and tool warranty. If tooling issues with subcontractors are not resolved by the supplier, IZZY+ reserves the right to redirect the subcontractor and any subsequent costs incurred will be the responsibility of the supplier.

1.4 Damage or Loss- Suppliers shall insure and protect IZZY+ Tooling and Equipment against loss or damage at all times prior to physical receipt of IZZY+ Tooling and Equipment at specified IZZY+ manufacturing facility.

Supplier Tooling:

1.5 Definition- Supplier Tooling is defined as tooling specifically designed for the production of a IZZY+ part where such tooling is unique to, and only used for said IZZY+ part. Its intended life (absent substantial modification or alteration) is limited to the production of the part for which it was designed.



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Capital equipment (i.e. stamping presses, molding machines, automated material handling equipment, etc.) and generic tooling (i.e. perishable tools, drill motors, impact guns, wrenches, etc.) shall not be considered as Supplier Tooling unless provided by IZZY+

1.6 Relocation- With IZZY+ discretion and approval, Supplier Tooling may be relocated to another supplier for use on that supplier's equipment. Supplier Tooling that is designed specific to a supplier's equipment should be modifiable to suit another supplier with similar equipment.

1.7 Ownership - Supplier Tooling is at all times considered property of IZZY+. The supplier shall only use IZZY+ tooling to manufacture product for use in support of IZZY+ unless otherwise approved by the IZZY+.

1.8 Maintenance and Storage- Supplier Tooling shall be maintained by the supplier at the supplier's expense and shall not be altered in any way or disposed of without the written authorization of IZZY+

1.9 Credit/Payment Terms- Suppliers shall invoice IZZY+ for payment of monies owed for Supplier Tooling (regardless if the payment is for the original tool or tool changes) upon formal PPAP approval of the component(s) the tool produces and/or the gauge measures. Suppliers must provide evidence of the full PPAP approval by submitting an electronic copy of the customer approved Part Submission Warrant (PSW) that is directly related to the invoice. IZZY+ terms of payment will be 45 days after receipt of invoice.

1.10 Damage or Loss- Suppliers shall insure and protect Supplier Tooling against loss or damage.

2. Other Requirements

2.1 Supplier Quotes- Supplier quotes must include a detailed description for each line item entry such that each element of IZZY+ Tooling and Equipment or Supplier Tooling is clearly identifiable on all documentation and during any physical review.

2.2 Prints and Specifications- The supplier shall provide any and all prints and specifications associated with IZZY+ Tooling and Equipment and/or Supplier Tooling to IZZY+ upon request.

2.3 Marking Requirements- During the operational life of the tool the physical tag/markings must:

- Remain permanently affixed to the tool
- Remain legible
- Be durable in its manufacturing environment
- Not impair the operation of the tool
- Contain the asset number and the part number

2.4 Manufacturing Assist Declarations



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Suppliers outside of the USA who manufacture and provide products to IZZY+ plants located in the USA may be required to declare Manufacturing Assist. This requirement will be determined and defined on the tooling purchase order. A Manufacturing Assist is defined as “anything provided to the foreign supplier by the US Buyer which is made available for free, or at a reduced rate, and used in the direct production, inspection, or testing, of the goods produced and imported by the US Buyer”. Examples include but are not limited to tooling, fixtures, gauges, testers, assembly aids, and raw materials shipped to the supplier by the US Buyer.

Chapter 3 Quality

1. Quality Expectations

Scope

All suppliers shipping to IZZY+ plants, dealers or customers are expected to meet the quality expectations set forth in this section.

2. General Quality

Expectations

A solid systems approach to quality management is essential to achieve the level of quality required by today’s demanding customers. Such an approach yields many benefits, including but not limited to: A common platform for Quality Management; Improved communication due to common systems; Common format for training; Systemic Change Control and Improvement; and Sustainable Improvement.

2.1. Maintaining and Communicating Certifications

The supplier is responsible to submit copies of the valid Quality systems certifications, for each applicable facility, to IZZY+ Purchasing, including all renewals prior to the expiration of the current certificate on file.

3. Supplier Assessment/ Supplier Readiness Review (SAS/SRR)

For a new supplier or a new manufacturing location for an existing supplier to be added to the IZZY+ approved supplier list, a Supplier Analysis and Assessment audit (SAS) may be required. IZZY+ may also perform similar audits on an as needed basis or instruct the supplier to complete a self-assessment. Prior to launch of new awards, the supplier may also be required to participate in a Supplier Readiness Review (SRR).

3.1 New Supplier SAS - The result of the SAS will be one of three outcomes:

- 1. The supplier demonstrates a benchmark management system that is likely to result in meeting our expectations with no supplier development plan (SDP) and is thus promoted to the preliminary approved supplier list for validation during a product development cycle (award);*
- 2. The supplier demonstrates an adequate management system with some risks that require a supplier development plan (SDP), approved by IZZY+ Purchasing in order to be promoted to the preliminary approved supplier list for validation of product development in parallel with an execution of the improvements from the SDP;*



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- 3. The supplier demonstrates significant weaknesses in their management system and is not promoted to the preliminary approved supplier list.*

3.2 Existing Suppliers- Existing Suppliers will follow the same requirements as new suppliers in situations where the supplier is adding a manufacturing location that does not currently produce product for IZZY+ from that location. Existing suppliers may be required to support an IZZY+ led supplier assessment audit or conduct a self-assessment audit.

4. Advanced Product Quality Planning (APQP)

This standard has been demonstrated, when followed, to result in a worry free product. The supplier will be notified of the parts requiring APQP tracking. Program kickoff meetings are often held to further communicate product/ manufacturing process development requirements as an integral part of the launch process. The IZZY+ Engineer and Buyer are the primary contacts throughout the launch.

The suppliers are expected to manage their own APQP activities in accordance with their program timeline, which is constructed in a manner that is designed to deliver a fully vetted out production ready product/service. IZZY+ may provide feedback from time to time; however, the APQP process is to be managed by the supplier. Documentation and APQP process evidence may be required to be submitted throughout the launch process for review.

5. Production Part Approval Process (PPAP)

Supplier PPAP activity is primarily for the manufacturer and not for the customer. The PPAP submission is a documented physical and functional inspection process to verify that defined manufacturing methods are capable of producing an acceptable product as specified by applicable customer design records.

6. Configuration Control and Lot Traceability

The supplier will be responsible for controlling/tracking the actual configuration of material of parts to the approved engineering documents in addition to any changes to ensure that the end product meets specified functional and physical requirements as contracted. Upon request, the supplier will provide lot or part traceability back to the raw material stock for all material shipped to IZZY+.

7. Quality Deliverables

Expectations

Product that is received into IZZY+ facilities that does not conform to the drawing specification(s) and /or agreed upon standards will be counted against a supplier's scorecard. Quantities will be reported in the units of measure in which they are purchased. This applies to production parts. The following conditions are considered quality failures designated by A, B or C rank Vendor Interactions (VI):

- Production Parts that do not meet drawing specifications i.e. dimensional, functional and/or appearance standards as called out in the specification or an approved boundary sample
- Production parts damaged as a result of inadequate packaging. Production parts damaged from transportation for which the supplier is responsible.



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- Shipments that are received with mixed parts or parts that are the wrong revision level after a clean point has been established. Reject/Defect quantity is for the quantity of incorrect parts only.

When a quality issue requires containment, the suspect material must be sorted 100% for all material. IZZY+ will require reasonable compensation for any sort conducted due to a supplier quality failure. If suspect parts are removed from the IZZY+ location, the supplier must complete the sort and return certified material to IZZY+, or send replacement parts in a timely manner. Timely manner is defined such that the IZZY+ production facility and customer shipments are not interrupted. Suppliers are encouraged to work with IZZY+ buyers to understand when they need material to maintain uninterrupted production schedules. If a supplier identifies, communicates and takes appropriate action to correct a potential problem before the problem is identified or before parts are used in an IZZY+ facility, then the parts will not be counted against the scorecard and no points will be deducted from the supplier's scorecard.

8. Supplier Chargeback

Suppliers are notified of quality, delivery and customer service issues through a Vendor Interaction (VI). VI's that are the supplier's responsibility are subject to fees for quality, delivery and service issues. Supplier chargebacks should be targeted for closure within 30 days and can only be extended with the written acknowledgement of the buyer.

9. Supplier Request for Change

IZZY+ acknowledges that suppliers may have a need to request a permanent change to their product and/or manufacturing process. Changes include, but not limited to, VA/VE improvement initiatives, increased capacity requirements, manufacturing footprint optimization, sub-tier supply resourcing or other changes. We further recognize, that deviations (TECO) to requirements may be requested and expect suppliers to manage the risk of approved deviations accordingly. A deviation is defined as a short term change from an approved process or specification.

9.1 Supplier Change Request and Approval Process – A written request with details and timing of the change must be submitted to an IZZY+ engineer and buyer. Prior to making any changes, a supplier must have written approval.

Chapter 4 Material & Logistics

Purpose

The purpose of the Global Supplier Standards Manual is to communicate IZZY+ requirements to our suppliers. It is the expectation of IZZY+ that all suppliers of direct materials comply with all of the requirements and expectations documented in this manual. In addition, IZZY+ expects this manual to provide the foundation for our working relationship with our suppliers. We will strive for excellence thru working together to proactively prevent issues and continuously improve.

Scope



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The scope of this policy applies to all IZZY+ facilities. The type and amount of involvement with our facilities will be dependent upon the locations that are involved in the purchase of products/services and the locations that experience the consumption of the products and/or services.

1. Materials Management and Logistics

1.1 Introduction- The materials management and logistics organizations at IZZY+ contribute to manufacturing excellence in quality, cost, and delivery to the customer. Specifically, these teams ensure the on-time delivery of component materials and subsequent shipments of finished goods at the lowest cost and best value to customers. Continuous improvement in our supply base relative to materials management and global logistics is required and, if managed correctly, sustained improvement will provide a competitive advantage.

1.2 Fundamental Systems- Suppliers of direct materials will ensure the following expectations are in-place and are included in their business processes:

- Communications take place electronically between trading partners;
- Lean Manufacturing principles and practices are employed in the organization;
- Customer demand is analyzed, schedule variation is reacted to, and demand is compared to available capacity.
- Communications are proactive relative to potential issues in meeting demand requirements;
- Shipments are made according to routing instructions;
- 100% on-time delivery is required and measured from sub-suppliers;
- Materials Management and Logistics team members have development plans which focus on increasing their abilities and experience in the areas of materials management and logistics processes, technical capabilities, problem solving, and leadership.
- Key measures are identified, monitored, and reviewed for continuous improvement of performance.

2. Shipping and Replenishment Performance

2.1 Introduction- The standard for IZZY+ suppliers is 100% on time arrival of all parts required by the specified site. This means shipping the correct quantity of the correct product to the correct location in the correct method at the correct time. It is mandatory that the supplier contact the IZZY+ facility, immediately upon recognition of an issue, if the release schedule cannot be met.

2.2 Shipping and Delivery

Authorization to ship product to IZZY+ will be communicated through a purchase order. The supplier is required to:

- Contact your IZZY+ buyer if the supplier is unable to meet the delivery date on the PO and provide a recovery date for shipment of product.
- Take responsibility for downtime and other associated costs (i.e. premium freight or overtime) due to their inability to meet delivery requirements that are in accordance with the purchasing terms and conditions.



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- Tracking inbound freight to IZZY+ and advising the buyer to the shipping status, if supplier is responsible for freight costs.
- Tracking information for Drop shipments must be sent to the Drop Ship email inbox no later than date of shipment. izzysldropship@izzyplus.com
- Obtain approvals from the buyer on the mode and carrier chosen for all expedited materials if IZZY+ is responsible for expedite charges

3. Logistics Requirements

3.1 Introduction- These requirements are intended to give the IZZY+ Supplier a clear understanding of what is needed and how to ship product to IZZY+, as well as the expectations and requirements needed to ensure deliveries are received on time and worry free. The requirements are intended to be used for collect shipments to IZZY+, where IZZY+ is responsible for the transportation cost. This applies to all shipments domestic and international.

The supplier is encouraged (but not required) to use an IZZY+ preferred carrier/forwarder when making shipments where the supplier is responsible for the cost of transportation. This enables the supplier and IZZY+ to maintain visibility and track the product while in transit. If the supplier is part of an IZZY+, routed dedicated run (milk run), all expectations noted in this document apply.

3.2 IZZY+ Freight Forwarders - Parcel shipments or shipments totaling 150 pounds or less will be shipped directly to IZZY+ using one of IZZY+'s preferred Parcel carriers, FedEx or UPS. Please contact your IZZY+ Buyer for the correct account number(s). Please note that there are size requirements for Parcel Shipments. When the size of the product exceeds Parcel Shipping guidelines, please use a preferred LTL Carrier or Freight forwarder.

All other shipments directly to, or shipped on behalf of, IZZY+ (where IZZY+ is responsible for freight costs) should be shipped via CH Robinson unless otherwise noted on the purchase order.

3.3 Third Party or Drop shipments - Shipments that do not originate from, or deliver to, an IZZY+ location will typically be set-up at the time the Purchase Order is placed. Occasionally, business needs will require a request for a shipment location to be altered. In this case, your IZZY+ buyer will provide the corrected address.

When a drop shipment is made, the Product label, Pack slip & BOL should contain both the "IZ, SL, or MB" (Izzy Order Reference) number and the Customer Purchase Order Number.

When the Drop Shipment is picked up, an ASN should be sent to the appropriate Drop ship e-mail address. This e-mail should include date of shipment, purchase order number, name of carrier and tracking information.

3.4 Over/Under Shipments - Suppliers must ship to their Purchase Orders. Shipping more or less requires IZZY+ approval. This includes shipments where a supplier may ship more than once per week. Shipping short one day and over the next to make up the difference requires prior written approval.



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3.5 Domestic Shipment Documentation Requirements - All suppliers are required to provide accurate and complete documentation to IZZY+ and the carrier/forwarder at the time of tender. Suppliers are required to ensure correct billing for freight by implementing dock procedures that ensure the Bill of Lading provided by the designated IZZY+ logistics service provider is provided to the actual carrier driver who has picked up the freight. Not using the correct Bill of Lading could result in the direct billing to IZZY+ by the carrier at a considerable increased cost. Supplier may be charged back the difference in costs if the incorrect BOL is used.

3.6 Packing Slips - A packing list must be attached to every shipment that arrives at an IZZY+ facility regardless of mode or method of transport. This includes items that arrive by personal delivery. The following information is required on each packing slip:

- IZZY+ Purchase Order number
- Complete IZZY+ part number as stated on PO
- Total pieces by part number
- Net Weight of complete shipment
- Gross Weight of complete shipment
- IZZY+ part description of each part
- Contact name of person requesting the shipment for non-production items or discrete PO's

3.7 Parcel Shipments - For parcel shipments (FedEx or UPS) the following information is required.

In the listed reference fields:

- Reference #1 – IZZY+ PO#
- Reference #2 – name of IZZY+ person requesting shipment
- Reference #3 – pack slip number
- Reference #4 – at least 1 IZZY+ part number as stated on the PO
- Customs documents (as required)

3.8 International Shipment Requirements - It is the supplier's obligation to provide all necessary commercial trade documents and trade related information required to process the shipment through Customs and across borders efficiently and in compliance with all trade regulations defined by the country of destination. All suppliers are required to provide accurate and complete documentation to IZZY+ and the carrier/forwarder at the time of tender. Supplier's may be responsible for additional costs associated with shipment delays, additional administrative activities, excess transportation costs, or any other process deviation resulting from non-compliance.

3.9 Ocean freight routing from offshore suppliers- Materials shipped from offshore suppliers should be booked to follow these guidelines:

- 15 cubic meters (530 cubic feet) or less should ship LCL (Less than Container Load)
- 16 to 30 cubic meters (565 to 1000 cubic feet) should ship on a 20' container



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- 30 to 66 cubic meters (1000 to 2328 cubic feet) should ship on a 40' container

Suppliers may be required to modify certain documents to enable the separation of the shipment(s) to optimize the logistics.

3.10 International Trade Compliance - IZZY+ expects that all suppliers, when required or directed by IZZY+, will ship materials across international borders in a manner that ensures IZZY+ and the supplier are meeting all regulatory trade requirements assigned to the transaction by the governments of the origin and destination countries. The supplier will ensure that all customs and shipment documentation is accurate, complete, and provided in a timely manner to any agent, forwarder, or broker, working in conjunction with, or on behalf of, IZZY+. Should IZZY+ incur fines, penalties, or other costs resulting from inaccurate completion of these documents, traceable to the supplier's failure to respond to a Customs inquiry, audit, or verification, IZZY+ will hold the supplier accountable for reimbursement. The supplier may also be responsible for any cost associated with the need to expedite freight as a result of materials being held in customs due to inaccurate, incomplete, or missing documentation.

3.11 Bill of Lading and Packing Slip (Reference 8.7 and 8.8 above) – In addition to the standard information required on the domestic Bill of Lading, all international shipments will also require the Incoterms to be called out on this document. Please reference your PO, contract, or terms and conditions for the agreed to term. Incoterms are required to follow the "Incoterms 2010" version as defined by the International Chamber of Commerce (ICC), and must also include the defined "named place" where applicable.

3.12 Commercial Invoice Requirements - The following information is required on all commercial invoice documents:

- Full description of merchandise in English; including HTS Code appropriate to the destination country
- Country of origin
- Piece count
- Value per item
- Total invoice value
- Currency of given values – must be in destination country currency i.e. (USD, MXN, CNY)
- Foreign shipper/manufacturer name and address
- Document must clearly state "Commercial Invoice"

You can also find the official requirements here:

http://edocket.access.gpo.gov/cfr_2011/aprqr/pdf/19cfr141.86.pdf

2.13 Shippers Letter of Instruction (SLI) - Suppliers are required to complete a shipper's letter of instruction for all international shipments handled by an IZZY+ Freight Forwarder. Usually the Freight Forwarder will provide this when asked.



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2.14 Parcel or Small Package Shipments (less than 150 pounds to any IZZY+ location) - Will be shipped via UPS or FedEx Express standard ground service (within the US) or FedEx Express International Economy (if originating outside of the US) using the appropriate IZZY+ account number associated with the final IZZY+ destination plant. Please contact your IZZY+ Buyer for the correct FedEx account number. The following information is required for all Parcel shipments made under IZZY+ accounts:

- Reference #1 – IZZY+ Purchase Order number
- Reference #2 – name of IZZY+ person requesting shipment
- Reference #3 – pack-slip number
- Reference #4 – at least 1 IZZY+ part number, as stated on the PO

Use of any other parcel carrier requires IZZY+ written approval.

4. Packaging and Labeling Requirements

4.1 Introduction – Packaging is a critical component within the value-stream as it serves to protect goods and facilitate efficient storage, transport, and handling. These requirements apply to product shipped from a supplier to any IZZY+ location as well as to product shipped directly from a supplier to an IZZY+ customer or other drop ship location. Products shipping to IZZY+ shall always be banded or wrapped tightly to the skid. Heavy items shall be placed on the skid first with lighter items stacked on top when the packaging will support the weight and allow for damage free transport thru to final destination. The footprint of the pallet shall be larger than the footprint of the goods/boxes/containers shipped on the pallet. Suppliers must use care when building the shipment to ensure the product travels in a safe and secure manner.

4.2 International Packaging Requirements - For international shipments strict enforcement of the ISPM 15 wood packaging standard will be imposed. Costs associated with shipments held in customs or with re-packaging due to uncertified or non-compliant packaging will be billed back to the supplier. Please reference the following link for specific information regarding packaging containing wood and wood products: http://www.maff.go.jp/pps/j/konpozai/pdf/ISPM_15_English_2006.pdf

4.3 IZZY+ Packaging Standards – Suppliers are responsible for the following:

- Quoting packaging as requested by IZZY+ (supplier-owned returnable packaging, customer-owned (IZZY+) returnable packaging, expendable packaging, or a combination of returnable and expendable packaging);
- When quoting supplier-owned returnable or expendable packaging, designing a pack which ensures shipments are received in acceptable (damage-free) condition and are efficiently and economically packaged per the planned transportation and handling methods;
- When using returnable packaging, selecting an industry standard tote size along with developing back-up expendable packaging that matches the dimensions of the returnable packaging;
- When using full expendable packaging, selecting a carton size that matches an industry standard tote size;



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- Acquiring IZZY+ approval to use any non-standard tote or carton;
- Providing all dunnage necessary for component part packaging;
- Ensuring part quality from point of manufacture to point of use;
- Obtaining IZZY+ approval after submission of Packaging Sketch Form (supply sample pack if requested) and prior to initial shipment of product;
- Defining a standard pack so that full container weight does not exceed 30 lbs.;
- Maintaining (repairing/replacing) supplier-owned containers in response to any damage stemming from normal usage;
- Securing containers to pallets by shrink-wrapping or banding.

4.4 Labeling Requirements - Suppliers must ensure that each and every tote/box/container of material shipped to IZZY+ is correctly labeled and that the labels are properly attached. If product is not packaged in tote/box/container then label must be affixed to the product directly in a manner that it is quickly apparent and visible. When labeling, verify that there are two labels per container on adjacent corners. The label must be placed in the upper left-hand corner of the major side. Whenever possible the label printing should be a bold black type with at least 25mm high letters. Supplier owned packaging must have "Return to" labels located in a clearly visible area that does not interfere with the production identification labels.

Label protection against moisture, weathering, abrasion, etc., may be required in harsh environments and is encouraged wherever practical. Care must be taken to assure that labels meet reflectivity and contrast requirements and can be scanned with contact & non-contact devices.

It is the supplier's responsibility to remove labels on returnable containers and affix a new label prior to shipment, unless prior arrangements have been made with the IZZY+ receiving plant. When ordered quantities require cartons of mixed material on one pallet, a special "Mixed Load" label must be affixed to the pallet in addition to the individual tote/box/container requirements. All containers must be loaded to cubic capacity in order to maintain load density, package integrity, and obtain optimum transport utilization. The following criteria must be observed when shipping mixed loads to an IZZY+ plant:

- Cartons must be uniform in size to maintain load stability;
- Each pallet must have material / product for only one IZZY+ plant;
- Pallets less than a full layer shall be avoided whenever possible.
- For unit load packaging that is shrink wrapped, the master label and mix load labels must be applied to the outside. When individual containers are palletized and made into a unit load for mechanical handling, the master label will be attached to two adjacent sides of the unit load.
- All containers must have the final IZZY+ destination information affixed either as a master label on the skid or within the standard label format affixed to each container. Data required includes IZZY+ site name, address, city, state and postal code.

Suppliers will ensure that all labels used for IZZY+ product meet the following requirements:

- Standard Label Size – Nominal dimensions of 4" high and 6.5" wide



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- Barcode fields can be Code39 or Code128
- Font Style: Arial Bold
- Font size: 14 pt except Part Number should be in 90 pt

Labels must include the following:

- PART NO. Field - IZZY+ Part Number and barcoded IZZY+ Part Number
- DESCRIPTION Field – Part or material description and other pertinent information as needed
- PO Field – IZZY+ PO Number and barcoded IZZY+ PO number
- PO LINE Field – IZZY+ PO Number Line
- SUPPLIER Field – Supplier Name
- QTY SHIPPED Field- Quantity of parts in box or container
- MFG DATE – Manufacturing date in MM/DD/YYYY format
- JOB Field- Supplier lot # or job information that will enable the supplier to look into the manufacturing details of the part. This field should help the supplier efficiently problem-solve any issues.

Labels must be:

- printed with black characters on white background
- placed in appropriate cardholders when present on totes – do not permanently affix the label to tote.
- affixed to corrugated boxes
- verified as legible by the supplier and easily scanned

Adhesive labels and/or standard card stock labels will be accepted as dictated by the application

Below is an example of an acceptable label; questions regarding labeling should be referred to the assigned IZZY+ buyer.



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PART NO		219583	
PART NO BARCODE			
PO	11368	DESCRIPTION	
	PO BARCODE	LEG KIT, CLA 4 LEG 18P GLIDES P06 SILVER	
PO LINE	19	SUPPLIER	
	PO LINE BARCODE	MS METAL	
QTY SHIPPED	12	MFG DATE	11/11/2015
	QTY BARCODE	JOB	XYZ123