



Supplier Logistics Expectations

SL America/SL TN Purchasing Department

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Revision History				
Index	Date	Changes	Pages	Writer
V1.0	10/08/2014	Initial Distribution	All	J. Volpe

SECTION 1: LOGISTICS EXPECTATIONS

1.1 AIM

The aim of this logistics specification is to define the conditions of **transport, storage, handling, and packaging** of **parts bought** by SL Tennessee. This logistics specification will be validated and signed by the supplier, to be used as the primary agreement governing the above.

1.2 SCOPE AND USE OF THIS AGREEMENT

- Through the use of these guidelines, the supplier will secure the quality of the part.
- The supplier is responsible, in coordination with SLTN, for ensuring optimum cube utilization of the transport vehicle.
- The supplier must verify the information highlighted in blue (already filled in by SL Tennessee) and complete the information highlighted in yellow.
- The supplier must provide SL Tennessee with a standard packaging proposal.
- SL Tennessee will determine the logistics carrier and shipment method (collect, prepaid, third party, etc.), as required.
- The supplier must acknowledge and agree to the penalties for failure to meet logistics expectations outlined in this document.
- The supplier must adhere to all requirements outlined in this document.
- The supplier signs the completed and approved document, to be sent to the following people:
 - Purchasing Coordinator – Jesse Volpe
 - Purchasing Manager – Jake Evans

1.3 LOCATION OF PRODUCTION AND STORAGE SITES

1.3.1 Production Site

SL-TENNESSEE
312 Frank L. Diggs Drive
Clinton, TN 37716

1.3.2 Storage site = Place of delivery

SL-TENNESSEE
312 Frank L. Diggs Drive
Clinton, TN 37716

1.3.3 Supplier production site

Address:

1.3.4 Supplier storage site = Place of dispatch (If different from above)

Address:

1.4 INFORMATION FLOW

- All suppliers are required to have EDI (electronic data interchange)/ASN (advance shipment notification) capability, in the event that SL TN transitions to this technology.
 - EDI/ASN capability is considered a cost of doing business with SL TN. It is the sole financial responsibility of the supplier to be capable.
 - In the event that SL TN chooses to implement EDI/ASN, the supplier will have 8 weeks, upon notification from SL TN, to become ready.
 - Supplier EDI/ASN capability must be in accordance with the most recent AIAG (Automotive Industry Action Group) standards.

1.5 PACKAGING

- All packaging used for regular production shipments to SL Tennessee must be approved by all applicable parties (noted on the “SL Tennessee Packaging Approval Form”) before the first production shipment. Production shipments are defined as any shipment made post PPAP approval.
 - Packaging submissions must be made via the “SL Tennessee Packaging Approval Form” shown in Appendix 1A.
 - Packaging must be in compliance with the box/pallet requirements shown in Appendix 1A.
 - After submitting the “SL Tennessee Packaging Approval Form”, a sample shipment may be required. The need for this is at the discretion of a SL TN Supplier Quality Engineer.
 - Once approved, the supplier must adhere to the specifications on the “SL Tennessee Packaging Approval Form” for the given component. One time or permanent deviations from standard packaging can be obtained by contacting both the SL Purchasing Coordinator contact and a SL Supplier Quality Engineer contact prior to making any shipments. Any packaging deviation is granted at the sole discretion of SL Tennessee and requires written authorization.

1.6 PACKING SLIP

- Suppliers will be required to ensure that all shipments are accompanied with an appropriate packing slip with all necessary information included (part numbers, description, quantities, and purchase order number).

- If any of this information is missing, SL Tennessee will make one attempt to acquire said packing slip. If SL Tennessee does not receive this documentation within 24 hours of the shipment arriving at SL Tennessee, then SL will pay the invoice based upon receiving verification of applicable shipments.

1.7 RETURNABLE PACKAGING MANAGEMENT

- In cases where returnable packaging will be utilized, the responsible parties will be identified by SL TN. The following information must be agreed upon by SL TN and the supplier. If expendable packaging will be used, this is not applicable.
 - Property, Responsibility, Operating mode / frequency, Return management for empty packaging, Maintenance and cleanings, Losses, Damages or breakage
 - For each component using returnable packaging, there must be a backup expendable option. The backup expendable option must adhere to all guidelines in section 1.5 “Packaging”.
 - Returnable packaging containers must be in accordance with the criteria outlined in Appendix 1A.

1.8 REGULAR PRODUCTION LABELING REQUIREMENTS

- Any shipments made against a 10 digit SL TN purchase order number must conform to labeling specifications, as shown in Appendix 1B.
- Any deviation from this format must be approved by relevant parties at SL Tennessee prior to the first production shipment (defined in section 1.5) and requires written authorization.
- In the event that the container quantity does not match what is on the approved “SL Tennessee Packaging Approval Form” (Appendix 1A), it is the responsibility of the supplier to identify such containers with a minimum of 2 labels per container. This is defined as a partial container. Shipping partial containers requires written authorization from a SL representative before the shipment is made.
- In the event that the supplier ships breakpoint parts to SL TN, the official label/guidelines shown in Appendix 1C must be used. Breakpoint shipments are defined as the first delivery to SL TN after any engineering change or modification to the product that is being shipped.
- All shipments made before PPAP approval, with or without a 10 digit purchase order number, must contain the label/standards shown in Appendix 1D

1.9 PRE-PRODUCTION LABELING REQUIREMENTS

- Pre-production components are defined as any component shipped to SL TN without a 10 digit purchase order number. All shipments made against a 10 digit purchase order number require the labeling standards mentioned in section 1.8.
 - All pre-production, PTR, or other sample components shipped to SL Tennessee must use the label/guidelines shown in Appendix 1D for all applicable containers.

1.10 EXPEDITED SHIPPING

- If, for any reason, the supplier is unable to meet a delivery date as specified on SL’s PO or LTA, it is the sole responsibility of the supplier to inform SL in writing via email within 24 hours of receipt of the PO. Failure to do this signifies that the supplier will meet the requirements/delivery dates on said PO or LTA. SLTN will not consider any exceptions unless it is transmitted in this fashion. Regardless, timely submission of an exception by the supplier does not exempt the supplier from providing product on time and any exception will be accepted at the sole discretion of SL.
- In case of an exception or production disruption, the responsibility for the cost of expedited freight and production downtime shall remain solely with the supplier unless agreed upon in writing with SL at the time of submission.

1.11 APPLICABLE PENALTIES RELATED TO LOGISTICS EXPECTATIONS

- The following is a list of logistics infractions that may result in monetary penalty. In the event that the supplier violates one of the items listed below (section 1.11.1 – 1.11.5), SL has full authority to recoup the cost of the failure from the supplier based on the cost of the infringement.
 - Cost per infringement: \$50.00 administration fee + cost to remedy infraction
 - The cost to remedy the infraction will be determined by SL TN purchasing and will be based on the cost that SL TN incurs by remediating said infraction.

1.11.1 Shipping product in unapproved packaging – Any regular production shipments (defined in section 1.5) delivered to SL TN that deviate from the approved “SL AMERICA PACKAGING SUBMISSION FORM” (Appendix 1A), without proper authorization from SL, will be inspected/repackaged at the supplier’s expense. Deviations include, but are not limited to, incorrect pallet size, any changes to individual containers, using broken or damaged pallets, as well as any changes to the overall pack dimensions.

1.11.2 Shipping regular production product without the appropriate SL label – Any shipment made against a 10 digit SL TN purchase order number that does not conform to the appropriate labeling standard (Appendix 1B) will be relabeled by SL TN at the supplier’s expense. Violations include, but are not limited to, missing labels (label required for each container), incorrect information on labels, missing breakpoint labels (when applicable), and incorrect formatting on labels.

1.11.3 Shipping pre-production product without the appropriate SL label – Any shipment made to SL TN without an associated 10 digit purchase order number require the pre-production label mentioned in section 1.8. Failure to correctly label applicable containers will result in SL TN relabeling the containers at the supplier’s expense. Failures include, but are not limited to, missing labels (1 required per container) and incomplete/inaccurate labels.

1.11.4 Not identifying partial containers – Any partial containers (defined in section 1.7) shipped to SL TN must be labeled properly per the instructions in section 1.7. Failure to label partial containers will result in SL TN relabeling them at the supplier’s expense. Failures include, but are not limited to, missing labels, incorrect number of labels, as well as shipping partial containers without written authorization from a SL TN representative.

1.11.5 Production downtime due to late shipments – In the event that shipments are late to SL TN, per the PO or LTA, and the supplier is unable to expedite product to support SL’s production schedule, it is the sole responsibility of the supplier to pay the production downtime cost associated with the late delivery. As stated in section 1.9, it is the responsibility of the supplier to inform SL, within 24 hours of PO receipt, that the supplier is unable to meet the requirements/delivery date. Failure to inform SL of supplier’s inability to meet requirements (in the fashion described in section 1.9), resulting in missed or late shipments does not excuse the supplier from being subject to downtime costs. Properly informing SL TN that the supplier is unable to meet requirements/ delivery date does not excuse the supplier from production downtime charges, unless the supplier has obtained written authorization from a SL TN representative.

1.12 TERMINATION OF SUPPLY

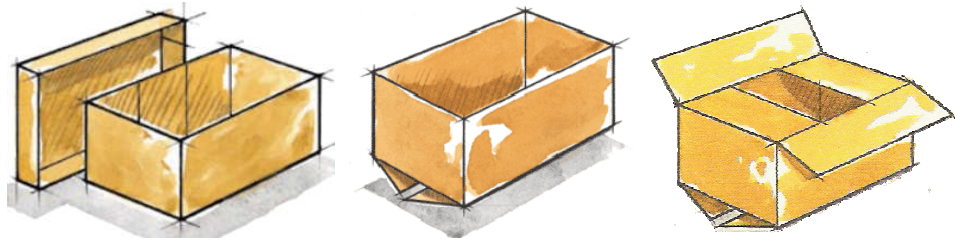
- In the event that the supplier wishes to terminate the supply of a component to SL TN, proper notification must be given.
- Proper notification is defined as a letter submitted to SL TN Purchasing Manager documenting the part numbers for which supply is to be terminated, the reason for termination of supply, and the date of the last shipment planned to SL TN.
 - The above letter must be submitted to SL TN based on the following formula: (Submission date + (Total lead time of component x 2.5)) = (Date of last shipment to SL TN)

- Example: A component with a 12 week lead time requires a 30 week advanced notice before the last shipment to SL TN is made.
- After submission of the above notification, a response from SL TN in writing is required before the notification of supply termination is accepted.
- Regardless of the circumstances under which the supply of a component to SL TN is terminated, the Supplier's responsibility for the quality and performance of the component shall remain unchanged.

APPENDIX 1A

Expendable Packaging Guidelines

- Expendable containers must be one of the following designs:
 - Design Style Container with Cover (Left Picture)
 - Half Slotted Container (Middle Picture)
 - Regular Slotted Container (Right Picture)

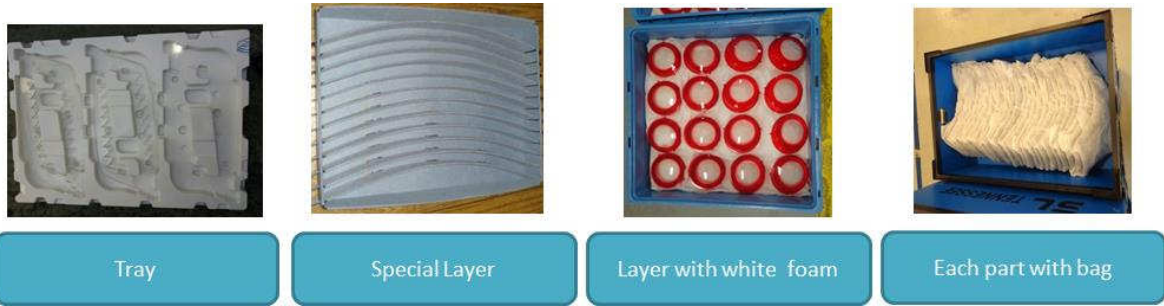


- Expendable container dimensions must adhere to one of the styles (B1, B2, or B3) in the below picture.
 - As indicated by the yellow font in B2 & B3, the height dimension is determined by the supplier.



- The packing method used inside the box must match one of the 4 styles shown below.
 - All packaging materials are required to be 100% recyclable in order to reduce disposal costs.
 - LED and electronic part packaging must be designed by the supplier to effectively protect the parts from ESD where applicable.
 - Individually bagging parts requires specific approval from SLTN before implementation.
 - To efficiently stock our assembly lines, SL TN requires that containers have 15, 30, 60, 120, or 240 pieces. Small or unusually shaped items will be reviewed on a case by case basis. In the event that these limitations adversely affect packaging density, the supplier should provide an alternative packaging proposal in addition to the standard pack for SLTN review.

- For handling purposes, individual containers cannot exceed 40 lbs. in total weight.



Returnable Tote Guidelines

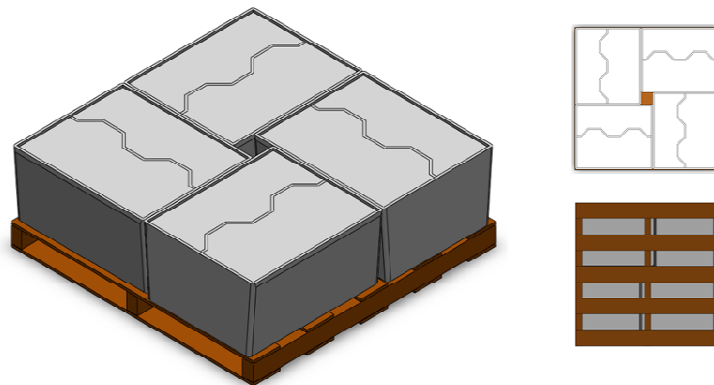
- If returnable packaging shall be used, each container must match the dimensions and style (picture) shown below.

Returnable Tote Dimensions (inches)

Dimensions	Top		Bottom	
	L	W	L	W
Outside	23.8	19.2	21.4	17.7
Inside	22.3	18.1	20.5	16.5

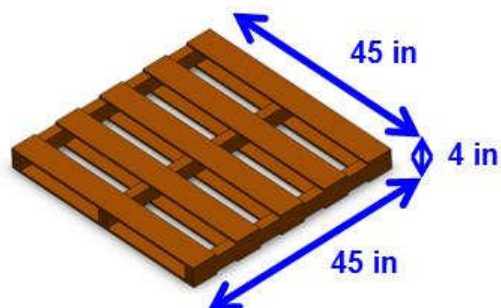
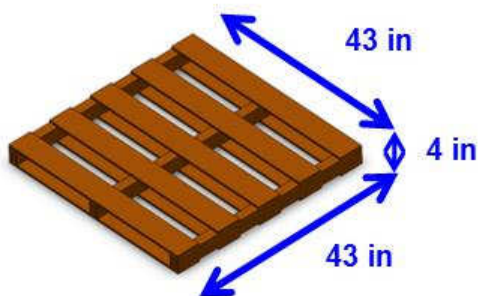


- Returnable totes must be loaded on to the pallet in the configuration shown below.







Pallet Guidelines

- The pallet dimensions for all incoming SL Tennessee product must be 45x45x4 (LxWxH in inches) or 43x43x4 (LxWxH in inches).
 - Pallet dimensions are stated as follows (see picture below):
(Pallet length in inches) x (Pallet width in inches) x (Pallet height in inches)
 - Pallet length: the length of the stringer
 - Stringers must be at least 1" wide and 3.5" in height
 - Pallet width: the length of the deck boards which should be divisible to the width of the primary logistics equipment used for transportation
 - Top and bottom deckboards must be at least 3.5" in width and .435" in thickness
 - Pallet height: the vertical distance from the floor to the top of the deck
- Pallets must have 4 way entry.
- Pallets must be made of new, non-recycled, hardwood construction; Pallets must not be broken or damaged.
- The safe maximum load should be 1725 lbs when not stacked and 865 lbs when stacked 2 units high.



Packaging Approval Documentation

Part Name		Part Weight (lbs)	
Supplier		Container Type	



Plan - Filled Out By Supplier	Lamp Photo	Packaging Type		Packaging Method		Plan - Filled Out By Supplier
	Part Photo	<input type="checkbox"/> Returnable packaging	In compliance with section 1.7 of "Logistics Expectations"	<input type="checkbox"/> Tray		
		<input type="checkbox"/> Cardboard box	Type B1	<input type="checkbox"/> Special layer		
		<input type="checkbox"/> Cardboard box	Type B2	<input type="checkbox"/> Layer with white bag		
		<input type="checkbox"/> Cardboard box	Type B3	<input type="checkbox"/> Each part with white bag		
		<input type="checkbox"/> Other:	<u>Detailed Description:</u>	<input type="checkbox"/> Other:	<u>Detailed Description:</u>	

Do - Filled Out By Supplier	Overall Pack Photo	Container / Dunnage Photo(s)		Inside View / Packed Box Photo		Do - Filled Out By Supplier	
	Pallet type		Pieces of dunnage per container		Quantity of parts per container		
	Packed pallet dimensions (inches)		Box dimensions (inches)		Packed box weight (lbs)		
	Packed pallet weight (lbs)		Quantity of containers per pallet				

Results	Y	N	Verified by	Date	Comments
Does the packaging prevent scratches? Does the packaging fit in assembly?	<input type="checkbox"/>	<input type="checkbox"/>			
Is it easy to remove parts from the container? Is the container easily transported?	<input type="checkbox"/>	<input type="checkbox"/>			
Does the quantity per box help the supermarket/kit project?	<input type="checkbox"/>	<input type="checkbox"/>			

Approvals					
Assembly _____ Molding _____ Quality _____	Engineering _____ Purchasing _____ Warehouse _____	Approval	Written	Checked	Reviewed
					Approved

APPENDIX 1B

Ship to facility Name and Code SL TENNESSEE P321		Mfg Date: 20120215	Lot No.: 1HAK
 53002049381HAK0101		Label Serial Number Barcode	
Part Number: 00000062202	Qty: 30000		Quantity
Part Description: GMT191, SKIRT A/T COATED		Part Description	
Invoice #: STS111229-202	 (VENDOR NAME)		Vendor Name

Unit of measure in which quantities can be entered alternatively to the base unit of measure / stockkeeping unit

Barcode(Total 25 digit) : INFORECORD(10 digit)+1+LOTNO(3 digit)+SEQ(2 digit)+Number of Boxes (01 - ??)

See tab for Info Record

SEQ = 01

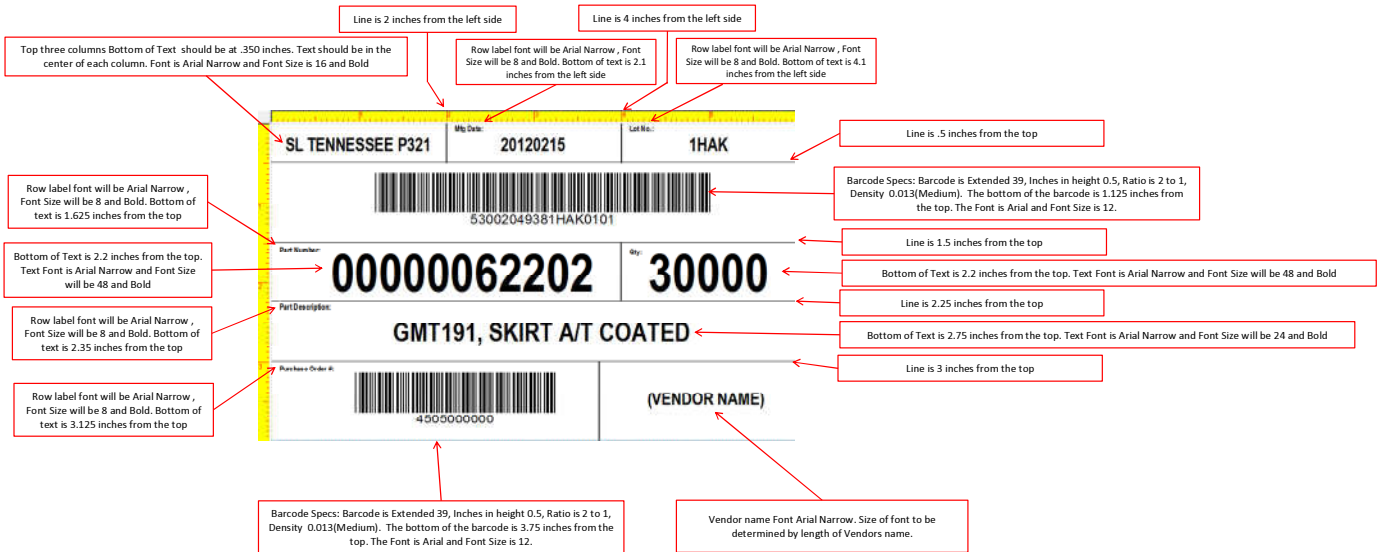
If you have 20 boxes, you will have 20 labels 01 through 20

If over 100 boxes, then use 100 and so on

LOTNO = Year(1 character)+Month(1 character)+Day(1 character or digit)

Year:	MONTH:		DAY CODE:				
2012	H	January	A	1	A	16	P
2013	I	February	B	2	B	17	Q
2014	J	March	C	3	C	18	R
2015	K	April	D	4	D	19	S
2016	L	May	E	5	E	20	T
2017	M	June	F	6	F	21	U
2018	N	July	G	7	G	22	V
2019	O	August	H	8	H	23	W
		Septemb	I	9	I	24	X
		October	J	10	J	25	Y
		Novembe	K	11	K	26	Z
		Decembe	L	12	L	27	1
				13	M	28	2
				14	N	29	3
				15	O	30	4
						31	5

Ex: **January 11, 2012**
 = HAK



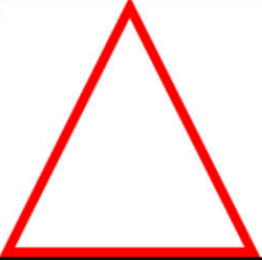
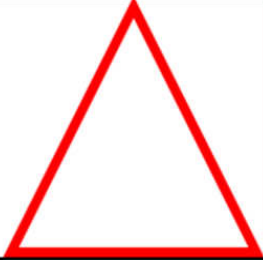
In the event that there is product with a left hand (LH) or right hand (RH) orientation, the label must be colored appropriately, as indicated in the picture below.



Non-handed parts must use a white label.

APPENDIX 1C

- SL TN standard for breakpoint label size is 4 x 6 inches.
- All fields must be populated in order to meet the standard.
- One (1) label is required for each container shipped in order to meet the standard.

 ATTENTION: BREAKPOINT MATERIAL 	
PART #: _____	
PART NAME: _____	
PPAP: <input type="checkbox"/> Approved <input type="checkbox"/> Not Approved	
CHANGE DESCRIPTION: _____ _____	
BREAKPOINT PARTS PRODUCTION DATE: _____	
SL TENNESSEE LIGHTING	

APPENDIX 1D

- SL TN standard for pre-production label size is 4 x 6 inches.
- All fields must be populated in order to meet the standard.
- One (1) label is required for each container shipped in order to meet the standard.

ATTENTION: TRIAL COMPONENTS	
<u>DO NOT USE</u> WITHOUT AUTHORIZATION FROM	
_____, SQE	
PART # _____	PART NAME _____
QUANTITY _____	PROD. DATE _____
<input type="checkbox"/> Receive parts into Inventory (GR)	<input type="checkbox"/> Do Not GR
Description (prototypes; PPAP samples, etc.): _____	

Supplier: _____	
SL TENNESSEE LIGHTING	

The undersigned hereby acknowledges reading and understanding the contents of “Section 1: Logistics Expectations”. The undersigned further acknowledges and agrees that the terms of this agreement supersede the terms of any previous logistics agreement between the supplier and SL Tennessee/SL America. Finally, the undersigned represents agreement to the contents of “Section 1: Logistics Expectations”. This is including, but not limited to, the applicable charges outlined in section 1.11.

(Type or Print Supplier Name)

Print Name: _____

Signature: _____