

Introduction

Horton Europe strives to develop strong business relationships with suppliers who can provide a wide range of goods and services at the best value to our company. We recognize that our customers have ever increasing expectations of quality and performance from the products they purchase. With the help of our valued suppliers we are confident that we can meet and exceed these expectations.

On-Time Delivery

All orders must arrive on-time 100% of the time. If an order is going to be delayed, we must be notified in advance of due date. Any cost or expenses related to late shipments (e.g. special freight costs) will be the responsibility of the supplier.

Inventory Management

Horton Europe utilizes JIT, Kanban, and Consignment programs with suppliers. Providing such services is a critical requirement that puts suppliers at a competitive advantage with Horton Europe, over other suppliers not offering such programs. Horton Europe requires the supplier to participate in such programs when parts meet volume requirements.

Cost Reduction

Suppliers shall use their best efforts to identify and implement cost reduction opportunities amounting to at least 2 % productivity improvement per year, without sacrificing quality. Supplier agrees to aggressively seek out, notify and advise Horton Europe of cost reduction opportunities.

Price Increases

Under unique circumstances a supplier may need to increase prices. When those circumstances arise, the following must be provided:

- 90-day advance notice of any pricing changes
- A complete justification including detailed cost breakdown information on materials, labor, and overhead
- Ideas for reducing the total costs between our companies to offset any proposed price increases.

Lead Times

Horton Europe is focused on shortening the overall product delivery cycle time from customer order to product delivery. The objective is to have lead-times less than 15 working days. Lead times must be short by industry standards, reliable, and decreasing over time.

Quality Management

Horton Europe is committed to quality leadership and continuous improvement. Horton Europe is certified according to ISO 9001, IATF 16949 and ISO 14001. Horton Europe suppliers shall achieve and maintain a zero-defect performance goal, providing products, materials, and services that meet Horton Europe requirements the first time and every time.

The supplier's definition of quality should not be limited to total conformance to specifications, but should encompass total conformance with continuous improvements. Therefore, Horton Europe cooperates with suppliers certified according to at least ISO 9001 or more and an active environmental management according to ISO 14001.

Continuous Improvement

Horton Europe requires continuous improvement from our suppliers. Depending on the supplier's performance evaluation (score card results), specific short and middle term action plans may be required, showing how quality, cost, and delivery objectives are to be achieved.

Supplier declarations with preferential origin / certificate of origin

In order to comply with all customs and commercial requirements, Horton Europe expects from its series suppliers at the end of each year a long-term supplier declaration with preferential origin for the entire following year (January 1 to December 31) for all products supplied by the respective supplier.

Konfliktmineralien

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("The Dodd-Frank Act") was signed into law by the US Congress in July 2010. Section 1502 of the Dodd-Frank Act imposes certain Securities and Exchange Commission ("SEC") reporting requirements on publicly traded companies whose products contain metals derived from minerals known as "conflict minerals" (tantalum, tin, gold and tungsten, or "3TG"), that originated from the Democratic Republic of Congo ("DRC") or an adjoining country. The reporting requirements reflect congressional concern that revenues obtained from the mining and transport of Conflict Minerals finance the ongoing conflict in the DRC.

Supplier Expectations



Horton Europe supports this initiative and is committed to sourcing only materials of proven conflict-free origin. All suppliers of materials under this initiative must validate and demonstrate the conflict-free origin of the materials.

Additional Information

Additional information and documentation such as the Horton Europe Code of Business Conduct, Supplier Management Program, Quality Manual, Product Change Request, and General Conditions of Purchase can be found on our website at <http://www.hortonww.com /supplier-information.html>

More than any other factor, our company's growth and our success depend primarily on our suppliers' ability to deliver quality parts and on-time delivery at a competitive price.