



Supplier Expectations

Horton 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.

- **Quality Management**

Horton is committed to quality leadership and continuous improvements. Horton suppliers shall achieve and maintain a zero defect performance goal, providing products, materials, and services that meet Horton requirements. As an IATF 16949 certified company it is required that you have read, understand and agree to comply with Horton's [Supplier Quality Manual](#)

- **Regulatory and Commercial Compliance**

Understand and comply with: Supplier Terms and Conditions of the Purchase Order, Inbound Product Requirements, Environmental Requirements, Supplier Management Program, U. S. Free Trade Agreement, Conflict Mineral Reporting, IMDS Reporting, California Proposition 65 Reporting and the Supplier Request for Change Procedure.

- **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 utilizes JIT, Kanban, and Consignment programs with suppliers. Providing such services is a critical requirement that puts suppliers at a competitive advantage with Horton over other suppliers not offering such programs. Horton 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, without sacrificing quality. Supplier agrees to aggressively seek out, notify and advise Horton of cost reduction opportunities.

- **Lead Times**

Horton 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.

- **Continuous Improvement**

Horton 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.

- **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 price 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.

Horton's growth and continued success are dependent upon our suppliers' ability to provide quality parts and timely delivery at a competitive price.

Information regarding supplier requirements can be found at <https://www.hortonww.com/supplier-information.html>. This site should be reviewed periodically for changes.

Please sign below to acknowledge that you agree and accept our expectations.

Date: _____

Supplier: _____

Name (print): _____

Title: _____

Signature: _____