



# GREENLEE®

A Textron Company

## INNOVATION DRIVING EFFICIENCY



# SUPPLIER REQUIREMENTS MANUAL



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# **Introduction**

## **General Information & Guidelines**

Welcome to the Greenlee Supplier Requirements Manual! As you will quickly observe, Greenlee is committed to being a world-class organization, based on the fundamentals of quality, value, and customer satisfaction. In order to best serve the needs of our customers, both now and in the future, it is imperative we create a strong partnership with our external supply base.

Thus, the purpose of this Requirements Manual is to provide both potential and existing suppliers the basic foundations by which Greenlee conducts business. This guide will outline the various policies, procedures, and guidelines relating to the successful relationship between Greenlee and its valued suppliers.

Please take the time to review the elements of this document and share its contents with others in your organization involved with Greenlee's business. This important communication document will serve only to enhance our mutual relationship. As conditions in the business marketplace change, this document and other documents and forms Greenlee uses will be revised; please check our website regularly for those and other additional communications.

## **Compliance**

Greenlee is committed to compliance with all applicable governing laws, including those of the U.S and other countries in which Greenlee has business units or does business. These laws govern a wide variety of substantive areas, including but not limited to product marking, intellectual property, product, and data export, and the importing of products and data. It is imperative that Greenlee, and those with whom we transact business, act in accordance with and follow all applicable policies and procedures (including checklists, due diligence, and proper classifications and markings) when dealing with technical data or physical goods.

Compliance with local and international laws will foster better communication and more efficient transportation of products and will prevent Greenlee and Supplier from incurring unnecessary fines and penalties. Knowledge of and compliance with the laws will also reduce the duties paid when exporting and importing products based on the country of origin and proper classification.

## **History**

For more than 150 years, Greenlee has been a provider of quality tools to the woodworking industry and, for over 80 years, to the electrical industry as well. Over 20 years ago, Greenlee made a commitment to the high technology necessary to keep pace with the changing needs of our customers. Proof of that commitment is in the modern facilities, state-of-the-art production equipment, and enhanced quality assurance programs which comprise the Greenlee way of doing business today. Our expanded Electronic Data Interchange (EDI) capabilities assure convenient, fast, and accurate exchange of information between Greenlee and its suppliers and customers.

ISO 9001 Certification further assures customers worldwide of our ongoing commitment to quality products, service, and support. Innovative product design, manufacturing excellence, and customer response will keep Greenlee at the top of its industry, now, and well into the 21st century. Greenlee is following a roadmap to becoming a "premier company" and we can only achieve this status with exceptional supplier performance.

# **Greenlee Mission Statement**

To be the global leader in the professional tool category by developing high quality innovative products distinguished by customer-driven design and differentiated by supply chain excellence.

## **Supplier Requirements**

All Greenlee suppliers must provide the information identified below:

- Current W9 (US Suppliers)
- Signed Non-disclosure Agreement (if required)
- Certificate of Product Liability Insurance
- Approved Quality Assessment

Existing suppliers are responsible for ensuring these requirements are updated annually or when a materially significant event occurs. **In the event that your company does any of the following, please resubmit the required documents with the correct company information: changes its name, ownership, technology information, corporate formation, files bankruptcy, relocates, etc.**

## **Country of Origin Certification**

Greenlee requests that your company provide a completed Certificate of Origin for each part number that you are selling to us on an annual basis or whenever there is a significant change to a previous Certificate of Origin. This is required to enable Greenlee and its subsidiaries to comply with U.S. export laws and regulations and the North American Free Trade Agreement where applicable.

## **Greenlee Communication Center**

Please visit our website for the latest information regarding our business. We use the website as a central point of communication. Important links to visit:

- Textron Website: <http://www.textron.com/>
  - Learn more about Textron's Integrated Global Business Units
- Greenlee Website: <http://www.greenlee.com/>
  - Contains a wealth of information on Greenlee's numerous product lines
- Greenlee Supplier website: <http://www.greenlee.com/suppliercenter.shtml>
  - The best place for finding:
    - Recent communications
    - Supplier portal access
    - Supply Chain contact information
    - Greenlee terms and conditions
    - Other legal documents

## Greenlee Addresses

Greenlee TEC (corporate HQ)  
Plant # 2070  
4455 Boeing Dr  
Rockford, IL 61109  
Ph 815.397.7070  
General Fax: 815.397.6174

Greenlee  
Mississippi Distribution Center  
4320 Executive Dr. Suite 400  
Southaven, MS 38672  
Ph 815.397.7070  
General Fax: 815.397.6174

Greenlee Research Parkway  
Plant # 2010  
1222 Research Pkwy  
Rockford, IL 61109  
Ph 815.397.7070  
General Fax: 815.397.9040

Greenlee Genoa 1  
Plant # 2020  
702 W Main St  
Genoa, IL 60135  
Ph 815.784.5127  
General Fax: 815.784.2193

Greenlee Genoa 2  
Plant # 2020  
538 S. Sycamore St Ste 1  
Genoa, IL 60135  
Ph 815.784.5127  
General Fax: 815.784.2898

Greenlee Louisville  
Plant # 2030  
4601 E Indian Trail  
Louisville, KY 40213  
Ph: 502.966.2508  
General Fax: 502.966.0564

Greenlee Vista  
Plant #2080  
1390 Aspen Way  
Vista, CA 92083  
Phone: 760.598.8900  
Fax: 760.598.5634

**FOR ALL SHIP TO  
ADDRESSES LISTED HERE  
SEND INVOICES FOR  
PAYMENT TO:**

GREENLEE PAYABLES  
c/o Textron Finance Shared  
Service Center  
PO Box 77047  
Fort Worth TX 76177-0047  
Ph: 817.590.1256  
Fax: 866.668.4852  
Email: [greenleap@textron.com](mailto:greenleap@textron.com)  
Hours: 8am - 4:30pm Central

# Procurement Process

## Terms & Conditions

Go to <http://www.greenlee.com/supplier/termsconditions.html> to review our standard Terms & Conditions. All prospective and existing suppliers must agree to Greenlee's Standard Terms and Conditions. By entering into a supply agreement with Greenlee, you acknowledge review of and agreement with Greenlee's Standard Terms and Conditions.

## Request for Quote

Greenlee Sourcing Buyers can solicit quotes from approved Greenlee Suppliers through the following methods:

Informally: verbally or through e-Mail

Formal Request requiring a detailed written response

Electronically: Electronic dispatch using SAP

## Forecast – Planning & Scheduling

All Greenlee suppliers are required to have the ability to electronically transmit and receive material releases, purchase orders, shipping schedules, and other information necessary to ensure delivery of product. It is the supplier's responsibility to review all material planning documents as they are released. It is also the supplier's responsibility to promptly inform their assigned buyer or planner of any concerns regarding price, quantity, material revision level, or delivery requirements within 48 hours of Purchase Order creation.

## Purchase Orders

Purchase orders are issued when a buyer sends a standard purchase order to a supplier with one or several part numbers, quantities, and delivery dates. These purchase orders may be transmitted via Ariba dispatch, EDI, e-mail, fax, or released on our supplier portal.

Greenlee's Standard Terms and Conditions apply to all purchase orders. Our purchase order is our contract to purchase, and conditions stated on the order are binding.

All purchase orders must be acknowledged to the issuing buyer within 48 hours of their release.

**Silence is considered acceptance of the order.** Any issues preventing a supplier from meeting the terms of the purchase order should immediately be communicated to the Greenlee buyer issuing that order for clarification. All accepted changes will be reflected on a revised PO. If you do not receive a revised PO, no change has been made to the order. The terms of the last PO version issued shall prevail.

Suppliers must ensure that all pricing reflects our current agreement; if not, contact Greenlee's buyer to resolve discrepancy. Note the following:

- Greenlee does not accept blanket price increases. Requests for price changes must be submitted 60 calendar days in advance of the desired implementation date. The request must be in writing and include the data/information being used to justify the recommended price change.
  - All invoices will be paid at the price on the final PO revision. As stated above, if you do not receive a revised PO, no change has been made to the order.
- The number of line items invoiced must match Greenlee's purchase order exactly.
  - The quantity of each item invoiced, as well as the unit of measure, must be exactly the same as on Greenlee's purchase order.
- No secondary items will be invoiced, as Greenlee will only pay for items on the purchase order. Additional charges, e.g. shipping, fuel surcharge, metal surcharge, will not be paid
- The material revision level listed on all purchase orders must be correct. In the event of a revision level discrepancy, immediately contact your Greenlee buyer for a copy of the current drawing. Do not process the order without verifying the revision level
- Shipment will comply with Textron specifications, which are detailed at <http://www.routingguides.com/greenlee>
- Confirm that Greenlee's need date is achievable. If you are unable to make the date requested, you must contact your buyer directly, within 48 hours of Purchase Order creation, with your requested changes

## Supplier Portal

Selected suppliers can view their forecast, purchase orders and supplier report card via the Greenlee Supplier Portal <https://www.mygreenlee.com/supplierinfo> Suppliers are assigned a password and user name to access this link. Suppliers are required to access their account weekly to retain user status. Contact your Greenlee buyer for portal log-in information.

## Delivery

Greenlee requires that suppliers ship items to arrive at the Greenlee facility on the purchase order delivery date. Early shipments received outside the guidelines may be refused at the supplier's expense. Decisions will be based on factors such as inventory, frequency of infraction, number of infractions and local business conditions/levels.

**In the event shipment is late, the supplier is responsible for expedited freight costs associated with protecting Greenlee's production schedule (See Charge Back section). Greenlee requires suppliers to ship all lines 100% complete.** The supplier must get prior authorization for partial shipments from the Greenlee buyer. In the event of an over-shipment, it is at the discretion of the Greenlee buyer whether to accept or return the order at the supplier's expense.



## International Shipment Requirements

Each entry should include a clear/legible **invoice** (including all required information per CFR141.86,) packing list and a bill of lading. Some of the most important (required on the entry) information is often not shown on the commercial invoice. Suppliers must include the following on every invoice for shipments sent from outside the U.S., per 2004 US CFR 141.86(a) and Greenlee Requirements:

- The port of entry to which the merchandise is destined.
- The time when, the place where, and the person by whom and the person to whom the merchandise is sold or agreed to be sold, or if to be imported otherwise than in pursuance of a purchase, the place from which shipped, the time when and the person to whom and the person by whom it is shipped.
- A detailed description of the merchandise, including the name by which each item is known, the grade or quality, and the marks, numbers, and symbols under which sold by the seller or manufacturer to the trade in the country of exportation, together with the marks and numbers of the packages in which the merchandise is packed.
- Greenlee's Part Number (Example: 52000001) and Part Description shown on Purchase Order.
- The quantities in the weight and measures of the country or place from which the merchandise is shipped, or in the weights and measure of the United States.
- The purchase price of each item in the currency of the purchase, if the merchandise is shipped in pursuance of a purchase or an agreement to purchase.
- If the merchandise is shipped otherwise than in pursuance of a purchase or an agreement to purchase, the value for each item, in the currency in which the transactions are usually made, or, in the absence of such value, the price in such currency that the manufacturer, seller, shipper or owner would have received, or was willing to receive, for such merchandise if sold in the ordinary course to trade and in the usual wholesale quantities in the country of exportation.

- All charges upon the merchandise must be itemized by name and amount, including freight, insurance, commission, cases, containers, coverings, and cost of packing; and if not included above, all charges, costs, and expenses incurred in bringing merchandise from alongside the carrier at the port of exportation in the country of exportation and placing it alongside the carrier at the United States ports of entry. The cost of packing, cases, containers, and the inland freight to the port of exportation do not need to be itemized by amount if included in the invoice price, and so identified. Where the required information does not appear on the invoice as originally prepared, it shall be shown on an attachment to the invoice.
- All rebates, drawbacks, and bounties, separately itemized, allowed upon the exportation of the merchandise
- The type of currency, whether US dollar, Yen, Euro, Renminbi, New Taiwan dollar, etc.
- The country of origin of the merchandise
- All goods or services furnished for the production of the merchandise (e.g., assists such as dies, molds, tools, engineering work) not included in the invoice price. However, goods and services furnished in the United States are excluded. Annual reports for goods and services, when approved by the port director, will be accepted as proof that the goods or services were provided.
- CFR 141.86(d) Invoice to be in English.
- CFR 141.89 Additional information for certain classes of merchandise.

## **International Shipment Documentation Requirements**

Copies of shipment documents must be provided to both Greenlee and Greenlee's Customs Broker in order to facilitate U.S. customs entry and delivery of products to Greenlee.

**Ocean Shipments** – Require one full set of original negotiable documents sent to Greenlee's designated Customs Broker and your applicable Greenlee buyer (a Telex released Bill of Lading may be substituted).

**Air Shipments** – Require that the original invoice and packing slip be sent via email to Greenlee's designated Customs Broker and your applicable Greenlee's Buyer\*.

*\*Please ship documents using FedEx to the following address and send your tracking information to your applicable Greenlee Buyer.*

Greenlee's Custom Broker Contact Info:

Attn: Andy Gurney

1501 Mittel Blvd. Suite A

Wood Dale, IL 60191

Email: **[GlobalForwardingChicago-GreenleeImports@chrobinson.com](mailto:GlobalForwardingChicago-GreenleeImports@chrobinson.com)**

## Invoice Payment Requirements

Please note that International requirements will be published separately.

In order to ensure timely payment, invoices:

- Cannot be handwritten, but must be of an official nature including sequential non-repeating invoice numbers
- Must list Supplier name and address
  - Greenlee's "SHIP TO" location as indicated on the "Greenlee Address Directory"
  - Invoice date, which is no earlier than the ship date
- Must provide valid Purchase Order number
  - Numbers begin with GRDO, GRPC, 45 and 35.
- IF NO PO IS PROVIDED – THE INVOICE WILL NOT BE ENTERED OR PAID- IT WILL BE DISCARDED.
- Line items on invoice need to contain:
  - Line number of purchase order it relates to
  - Greenlee material number and description
  - Unit of measure that matches with purchase order
  - Unit price and total must match currency of purchase order
  - Total Invoice Amount to be paid

## Invoice Submission

You may send invoices via mail, e-mail or fax. Our preferred method is e-mail as it is quicker and easier than standard mail.

Following these guidelines will ensure the most efficient processing of electronic invoices:

- One invoice per e-mail or fax: Please do not send multiple invoices in one file, as only one will be processed
- Multiple page invoices are accepted
- Make notations on the invoice itself; supplements and cover sheets will not be reviewed
- .PDF or .TIF files only for e-mail
- Invoices should only be submitted once for processing. Please only submit via one medium: mail, e-mail, or fax, not multiple.
- If you have any questions prior to e-mailing your invoices please call 817-590-1256, fax your questions to 866-668-4852, or e-mail FSSC at [\*\*AP@Textron.com\*\*](mailto:AP@Textron.com)

Invoices should be e-mailed or faxed to the corresponding email address or fax number, or mailed to the address below:

E-mail: [\*\*greenleeap@textron.com\*\*](mailto:greenleeap@textron.com)

Fax: 866.668.4852

Mail: GREENLEE PAYABLES

c/o Textron Finance Shared Service Center

PO Box 77047

Fort Worth TX 76177-0047

NOTE: Use [\*\*greenleeap@textron.com\*\*](mailto:greenleeap@textron.com) for invoices only; inquiries go to [\*\*AP@Textron.com\*\*](mailto:AP@Textron.com)

## **Payment**

**Greenlee requires a 3-way match of purchase order, receipt and invoice.** Complete and accurate documentation will assist with 3-way matching. Payment will be processed based on the contract terms, and will match our purchase order exactly.

Please ensure all of the requirements noted in the Invoice Payment Requirements section are met to assist with timely payment based on agreed to payment terms.

Greenlee's standard contract terms are Net 60 provided that all Invoice Payment Requirements are met.

To check the status of a submitted invoice, call Shared Services to verify receipt of invoice and payment queue status before resubmitting another invoice. 1-817-590-1100

## **Invoice Issue Resolution Process**

For the fastest response, please go to:

<http://www.greenlee.com/Supplier%20Center/requirements.shtml> and click on Invoice Payment Status Form to download. Please send this form as an attachment to [ap@textron.com](mailto:ap@textron.com).

You may also contact Textron Financial Shared Services at Ph: 817.590.1256. Please be sure to have the following information before calling:

- Company name
- Contact name
- Email, phone #, fax #
- Invoice #
- Invoice Date – date found on the invoice
- Purchase Order # related to the invoice
- Amount due on invoice

## **Quality**

### **Quality Requirements**

#### **New Suppliers**

All new suppliers will have to comply with the Greenlee Quality Management System Requirements in order to be approved to do business with Greenlee. These Quality System Documents consist of the following:

- SQA-001 "Supplier Quality Management System Requirements"
- SQA-002 "Supplier Quality Management Assessment Form"
- SQA-003 "Supplier Production Readiness Review"

All of the above documents are maintained to the current revision level and can be found on the following link: <http://www.greenlee.com/supplier/requirementspage.html> The requirements will appear on your purchase order as a note that will direct you to the website. Copies will not be provided with the Purchase Order.

Any supplier who cannot comply with certain requirements may request an exemption. Greenlee Supplier Quality Assurance (SQA) will evaluate the request and, if acceptable, will grant an exception in writing.

Suppliers will also be assessed by a SQA Representative and approved prior to being added to the Greenlee Approved Supplier List. The assessment will be performed to demonstrate compliance with SQA-001 Requirements. Once approved the supplier must maintain compliance with the requirements and may periodically be audited by a SQA Representative.

### **Regulatory Material Compliance & Certification**

Suppliers must be able to show if their parts are or are not compliant with the following regulations. Some of these regulations may only apply to product sold in certain regions. Nevertheless, the supplier must be able to provide proof of compliance when requested by Greenlee.

The list of regulations includes, but is not limited to:

**-Restriction of Hazardous Substances Directive 2002/95/EC, (RoHS)**

More information at: [http://ec.europa.eu/environment/waste/rohs\\_eee/](http://ec.europa.eu/environment/waste/rohs_eee/)

**-California Health and Safety Code, Proposition 65**

More information at: <http://oehha.ca.gov/prop65.html>

**-Dodd-Frank Title XV Sec. 1502 Conflict Minerals**

More information at: <http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>

**-Registration, Evaluation, Authorisation and Restriction of Chemical substances (REACH) compliance**

More information at: <http://echa.europa.eu/web/guest/regulations/reach/>

**The Mercury-Containing Rechargeable Battery Management Act**

More information at: <http://www.epa.gov/osw/laws-regs/state/policy/p1104.pdf>

Proof of compliance must be maintained by the supplier and available any time Greenlee requests proof of compliance.

Examples include:

- A certificate of compliance for each product
- Proof that restricted elements are not used in the product (e.g. BOM)

### **Current Suppliers**

Current suppliers are approved under present requirements. However Greenlee expects the supplier to maintain, as a minimum, a quality system consisting of adequate process control, calibration, and inspection to ensure the product meets all PO and drawing specifications. Once approved the supplier must maintain compliance with the requirements and may periodically be audited by SQA.

Existing suppliers must comply with First Article Inspections (FAI) requirements as defined in SQA-001. This document is maintained to the current revision level and can be found on the following link: <http://www.greenlee.com/supplier/requirementspage.html> These requirements will appear on your purchase order as a note that will direct you to the website. Copies will not be provided with the Purchase Order. Suppliers are required to periodically review and maintain compliance

with the SQA-001 Quality System Requirements. Greenlee's expectations are that supplier's quality systems and performance will continue to improve.

### **Requirements**

Suppliers are expected to accept full responsibility for the quality of the products in meeting the specifications defined in the PO. Any changes to these specifications will be transmitted via formal PO changes, Engineering Change Notice or drawing revisions. All specification changes whether initiated by the supplier or initiated by Greenlee must be submitted in writing. Product changed as a result of verbal instructions will be considered a supplier nonconformance. No specification change initiated by the supplier will be in effect until approved in writing by Greenlee.

### **Sub-Contracted Items**

Greenlee Quality Assurance must be notified of any changes in second tier sub-contract products or processes. No product should be supplied to Greenlee without prior approval of these changes.

### **New Part Qualification and Change Control**

PPAP submission is required for the first lot of new parts or for changes that could affect the fit, form or function of the supplied part. The level 2 PPAP should include a warrant, a statement of the engineering change (if applicable), first article inspections as described in SQA 001, material performance test results (if required) and material certification. If the submission is tied to a change, the supplier must first communicate in writing any planned change **to processes, supply sources, methods, or materials that could impact dimensions, metallurgical integrity, performance or appearance**. Greenlee Engineering and SQA will review the request and if acceptable approval will be granted in writing to the supplier. When approval is received, the supplier may proceed with the PPAP submission.

### **Continuous Improvement**

All suppliers are expected to pursue continuous improvement initiatives. Suppliers are encouraged to apply improvement methodologies and tools such as Six Sigma, Lean, SPC, Problem Solving and Mistake Proofing, Preventive and Corrective Actions, etc. Suppliers that are utilizing continuous improvement to achieve high quality, meet on-time delivery, and provide products at a competitive price will be given first consideration for future business. Greenlee will assist any supplier in their improvement initiative with help in identifying sources that could help them and in some cases Greenlee resources may be available.

## Material Rejection

In the event the material does not meet product specifications, a Non-Conforming Material Report (NCMR) will be issued. Based on the level of rejection, Greenlee will determine if product should be returned to the supplier for rework or if the product could be reworked. The plant buyer will notify supplier of the rejection and determine the best method of action. In the event of noncompliance, Greenlee Textron reserves the right to reject and return shipments. Greenlee has sole discretion to determine if it will execute a charge back for rework at Greenlee and/or for late corrective action response. For more information on charge back process, please see **Charge Back** section.

Greenlee also reserves the right to charge the supplier for the cost of the labor and materials for repackaging and palletizing. The current rate for this fee is a minimum of \$250 and an additional hourly rate may be applied.

Greenlee will not return nonconformance parts less than \$25 USD for each piece unless more than a photograph is needed for root cause evaluation. If product is required to be returned for root cause evaluation, Greenlee may send a sample of the lot and scrap the remaining pieces of the lot.

## Corrective Action

In the event corrective action is required, product may be returned to the supplier. Suppliers have up to 10 working days from receipt of notice by Greenlee to determine the cause of the defect unless circumstances dictate an immediate response. A supplier must submit a corrective action plan that addresses the defect. Greenlee may direct a Supplier to respond in less than 10 working days depending on the nature of the corrective action and the production requirements of the impacted Greenlee facility. SQA may also coordinate a visit to the supplier to verify corrective action implementation and effectiveness.

## Return Process

In the event both the supplier and Greenlee agree to the non-conformance, the buyer will contact the supplier for a Return Material Authorization number. Greenlee will automatically debit the supplier's account. **Please do not issue credits** as Greenlee will not apply a credit. Contact your buyer for purchase order and bar code scan for returning any rejected material. A new purchase order or line number will be created for you to return product. In the event Greenlee is at fault, a debit will not be issued.

## Additional Requests

At Greenlee's discretion, the following verification documents in addition to others may be requested when necessary:

- MSDS Sheets

- Material Certification

# Supplier Scorecard

## Scorecard Rating

Greenlee uses an automated scorecard through SAP. The total score is measured on a 5 star rating system, incorporating an equal weighting of Delivery, Quantity, Pricing, and Quality, that is normalized over a 12 month period.

See below for a description of each criterion's scoring.

- **Delivery**- 25% of overall score, score for perfect delivery = 100
  - Receipt is 'on time' if within a -7 days to +1 days window
  - Calculated using the statistical relevant date, i.e. Stat Date, vs. the goods receipt date, i.e. Posting Date
  - On time delivery to "Stat Date"
    - Definition: The negotiated delivery date at order placement.
  - On time delivery to "Posting Date".
    - Definition: The day the goods arrive on our dock.
  - Scores vary on a normal distribution
- **Quantity**- 25% of overall score
  - Score for perfect = 100.
  - Based on Goods Receipt.
  - Scores vary from 100 to 1 on a normal distribution.
- **Pricing**- 25% of overall score
  - If no price improvements are reported; Pricing Score = 70.
  - Calculated using the Standard price (Market); set on JAN 1 vs. Last purchase order price (Effective)
  - Higher scores are earned through initiating and participating in price reduction programs that directly result in a decrease in the unit cost.
- **Quality**- 25% of overall score
  - Goal is 100% or zero rejections
  - Calculated using Goods Receipt incoming inspections over the past 3 months. For example, if 100 pieces are received in the past 3 months and 1 piece is rejected then the quality score would be 99 out of a possible 100. The rejected pieces are identified in NCMRs. The calculation pulls the part and quantity from the NCMR information and compares that to the goods receipts.

For suppliers using the supplier Portal, the scorecard can be viewed through the supplier portal at <http://www.greenlee.com/suppliercenter.shtml>

## Guidelines for Material Refusal

Greenlee reserves the right to refuse any shipment. All suppliers must comply with Greenlee documentation, shipping, packaging, and labeling requirements. Failure to do so may result in refusal of product. Products should be free from defects such as: dents, dings, rust, chipped paint, scratches, etc. Several examples that might result in refusal have been identified below.



## **Packaging/Carton Damage**

Greenlee will not accept product with carton damage. Upon delivery Greenlee personnel will inspect all cartons to ensure that they are free of damage and the appearance is presentable for its customers. (Reference Shipping Requirements and Packaging Requirements sections.)

### **Damaged Product**

Greenlee will refuse damaged product unless unusual circumstances warrant special consideration.

### **Safety Issues**

Greenlee may refuse product based on potential safety issues. Greenlee's safety policy states that all near miss or potential accidents are reported and corrective action is required to ensure a safe working environment.

## **Transportation Requirements**

### **Freight Policy**

All suppliers are required to utilize only Greenlee's approved freight carriers. Our approved carrier listing is located at <http://www.routingguides.com/greenlee>. This policy is outlined in our Terms and Conditions at: <http://www.greenlee.com/supplier/termsconditions.html>.

To identify your designated carrier, please log on to the website at the following location <http://www.routingguides.com/greenlee>, use the search drop down box to select Greenlee Textron and enter your email address. Please refrain from using any truck load, LTL (Less than Truck Load) or parcel carrier not on your routing guide unless instructed to do so, in writing, by a Textron Purchasing Representative. All freight shipped at Greenlee's expense (Air or Ground service) must ship via "freight collect" shipping terms. Prepaid freight will result in a short payment of freight charges.

**All non-approved violations of the Routing Guide will result in an immediate charge back for the difference, with an administrative penalty of \$250.00 per violation.**

### **Premium Transportation Authorization**

When an expedited shipment is requested, you must receive a Premium Transportation Authorization number (PTA) from your purchasing representative. Please include the PTA # in the "Notes/Reference" field on the air bill/bill of lading for all shipments (for authorization purposes). All Premium Freight shipments missing a PTA authorization number in the Notes/Reference field will not be paid by Greenlee and will be the responsibility of the Supplier. Premium or expedited shipments are simply defined as follows:

Any premium mode or carrier not in compliance with the approved Greenlee Textron routing guide located at <http://www.routingguides.com/greenlee>.

Please contact the relevant Greenlee Supply Chain representative for any additional questions.

## Shipping Errors

A small percentage of our inbound shipments show discrepancies between packing slips and actual quantities, or other errors. Clearly, anything short of 100% accuracy is unacceptable.

Quantity or part number errors on our receiving docks can lead to:

- Shortages resulting in expedited freight charges and line stoppages
- Delayed receiving which could result in a negative on time delivery performance
- Delay in payment resulting from 3-way match discrepancy
- Expediting additional material that is not needed
- Errors in purchase order number and line number

An administrative charge at a minimum of \$250 per violation may be enforced with correcting these discrepancies. A discrepancy is defined as either an incorrect Greenlee material number with the correct quantity, or a correct Greenlee material number with an incorrect quantity. Shipments received with no paperwork at all will also be considered non-conforming. See our charge back process for more details.

## Shipment Requirements

- Required Pallet specs (size, height, stacking, labeling)
- Shrink wrap/banding requirements
- Packing list referencing contents of each (carton or pallet)

All products must be labeled (bar coded per Greenlee specs). Greenlee is currently enforcing container-labeling requirements.

### At a minimum the label must display:

- From: and To: addresses
- Greenlee's part number
- Greenlee's Purchase Order number and Line number
- Quantity
- Standard Pack/Master Pack/POP explanation and labeling requirements
- Point of Purchase Labeling
- Carton Labeling
- Serial Number or Day/Time/Lot number, if required
- All information must be human readable and bar-coded
- General Code 39 15milx dimension
- The label must have a Data Identifier \*(P), (S), etc
- The label should be 6.5" by 4.0"

## Packaging Requirements

- Packaging is required for all shipments. The packaging must be:
  - New
  - Clean
  - Appealing to the customer
  - Protects the product through the distribution network
- Acceptable packaging methods are defined as follows:
  - Bag – A preformed flexible container enclosed on four sides. Basic standard type of bag is plastic; acceptable when shipped within a carton
  - Box – A folding set-up box made of chipboard paper
  - Carton – A rectangular shipping container constructed with corrugated fiberboard with a Certificate of Boxmaker marking seal indicating carton strength
- Cartons must be sealed with tape, staples or both
- Plastic bags must be sealed to preserve product
- Cartons with product weighing over 35lbs, in addition to taping, must also be banded with no fewer than two bands
- Styrofoam filler is not acceptable and can only be used if approved in advance by Greenlee
- Although many carriers have adopted a 150 lbs weight limit per carton, no individual carton should exceed 50 lbs.
- Ship in the unit of measure specified on the Greenlee purchase order. Products must arrive in standard packs when applicable
- Correct Unit Value and Extended Value
- Correct Quantity
- Correct Unit of Measure
  - pieces, dozen etc
  - Note: when using sets we must know what and how many items are included in each set
- Correct Value of the goods

## Documentation Requirements for Packaging

- Purchase Orders number must be identified with the shipment
  - Line number referenced
  - Quantity ordered and Qty shipped (back order reference)
  - Packing list when shipping
  - Delivery/Receiving Bar Code Scan Doc. Required for all direct orders
- Additional Import Documentation Requirements:
  - Full company name
  - Address
  - Contact person
  - Phone number of the recipient of the goods

## Palletized Shipments

Palletized shipments are acceptable provided the following requirements are met:

- Multiple carton LTL shipments should be palletized and stretch wrapped.
- Pallet size is **L-42” by W-48”** unless otherwise specified
- Pallets **must not exceed 54”** in height (including pallet)
- No slip sheets
- Pallet construction must meet the specifications of a traditional four-way skid
  - 3 stringers with a minimum of 1 – 3/8” thickness
  - Top and bottom boards nailed directly to them
  - 6” wide deck boards on leading edges
  - Minimum of 3 to 4 boards 3/4” thick equally spaced for top intermediate boards
  - 3 boards on the bottom
- Product must not exceed pallet dimensions
- Multiple packages should be marked sequentially (1 of 2, 2 of 2 etc., depending on the number of cartons)
- If there is a possibility of product falling between the deck boards, then a cardboard sheet must be used on top of the pallet
- When stacking product, interlock the layer to make a more secure load
- Corrugated corner posts should be used on corners before stretch wrapping. The post must go from the pallet to the top of the stacked product
- Corrugated edge protectors are necessary where there is a possibility that banding will damage the edge of the product packaging
- Required information on packing lists:
  - Greenlee purchase order number
  - Purchase order line number
  - Greenlee material number
  - The supplier’s name
  - The quantity ordered
  - The quantity backordered
- The packing list must be visible
  - Enclosed in an envelope and marked “Packing List”
  - Attached to the outside of the carton
- On multiple cartons, the packing list should be placed on carton number one
- For LTL shipments, a second copy of the packing slip should be attached to the bill of lading

## Repackaging Requests

Greenlee Policy allows our customers to return slow moving inventory for credit. We may request additional packaging materials needed to repackage product in new resalable condition when packaging has been damaged. Greenlee may also request that damaged product be returned to the supplier for refurbishment and repackaging.

**For more information on Greenlee’s packaging requirements, please refer to the Palletizing Requirements Manual found at the following location:**

**<http://www.greenlee.com/Supplier%20Center/requirements.shtml>**

# Charge Back Policy

Any inbound shipments received by Greenlee that fall into the categories below are subject to supplier charge backs.

- Missing documentation
- Include discrepant documents (i.e. packing slips, invoices, etc)
- Non-conforming to Greenlee requirements (i.e. quality, delivery, etc).

Greenlee expects 100% compliance with its material, quality and shipping requirements. Failures to comply with these requirements can result in line stoppages, expedited freight, and many other damaging consequences that represent a true cost and liability to Greenlee.

The list below provides some, but not all, of the most common policy offenses.

- Packing slip discrepancies (i.e. inaccurate quantities, incorrect part numbers, etc)
- No packing slip submitted with the shipment
- Missing or errors in bar code labels
- Incorrectly labeled containers – label vs. actual container content
- Material shipped in a manner other than FIFO
- Delivery received outside of acceptable delivery window
- Quantity delivered different from quantity released/ordered on PO
- More deliveries than requested (excess delivery frequency)
- Non-conforming product quality
- Failure of initial response (within 48 hours) to a non-conformance in product
- Incomplete, incorrect, late or otherwise discrepant Corrective Action Requests
- Discrepancies with invoices (refer to Greenlee invoice requirement section)

At Greenlee's sole discretion, a minimum \$250.00 administration cost may be assessed per violation in the event of such discrepancies or non-conformances. Charge backs are transacted as an automatic debit against open invoices. Any objection to an assessed charge back incurred by a supplier must be submitted in writing to Greenlee within 30 days of issuance; otherwise the objection will be deemed untimely and will not be reviewed.

**In addition to the \$250.00 administrative charges, the charges listed below may also apply:**

- Any and all Greenlee customer charges incurred as a result of our suppliers' non-conforming product or delivery.
- Any and all costs incurred for 3rd party inspection, rework, or sorting as result of non-conforming product.
- Any and all line stoppage costs (based on aggregate labor-hours).