

Transportation & Logistics Manual

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1.0 Introduction

Sparton daily challenge is to meet customer requirements with rising supply chain complexity. For Sparton that means continually improve processes and together keeping cost down, reducing response time while optimizing inventory levels and logistics processes.

Logistics processes between Sparton and its partners becomes more important everyday as supply chain gets more complex and extended. Sparton strives for 100% (hundred percent) delivery performance with its customers and our performance depends on the logistics performance of our business partners, which can only be achieved if logistics processes interact properly throughout all levels of the supply chain.

Thus, it is Sparton's strategy to develop collaborative business partnership with its suppliers to achieve our customers' quality, cost and delivery objectives.

This guideline should serve as work of reference for suppliers, specifying basic requirements and rules for logistic exchanges between Sparton and Suppliers in the attempt to clearly identify responsibilities, commitments and expectations while providing parts at the lowest total cost.

Packaging is a key element in the supply chain that impacts safety, environment, quality, line side delivery, order quantities, inventory levels, freight utilization and customer satisfaction.

Packaging shall be designed with a focus on safety including such considerations as ergonomics, unit and load integrity in transit and throughout the decanting process.

Supplier is obligated to review the Supplier T&L Manual. Non-compliance will result in low logistic performance and potentially impact supplier OTD performance which may influence future sourcing decisions.

The guide provides requirements for all production parts and materials supplied to Sparton sites including all intercompany transactions.

This guide is the foundation for suppliers to develop their part specific packaging specifications and to ensure that all incoming component(s) are adequately protected at the lowest total cost with due consideration of sustainability and the entire supply chain flow. Supplier packaging shall preserve part quality through the entire distribution chain up to and including the point of use regardless of the freight terms or mode of transport.

2.0 Scope

This guideline applies to all Suppliers of Sparton supplying approved raw material and production material, applies to delivery of all parts and materials to Sparton covering its product lifecycle.

3.0 Supplier Commitment

It is the Suppliers responsibility to understand all requirements described in this T&L Manual. Please, make sure that you always have the latest version of the standard which is located at

<https://www.sparton.com/terms-and-conditions/>

Supplier is responsible for shipment preparation (packaging, labelling, pallet preparation, truck loading, commercial and customs documentation as required, export customer clearance) and that documentation including labelling achieves conformity with the shipment content.

4.0 Communication

The basis for successful cooperation between business partners is communication. Supplier has to ensure that contact is available during Sparton production times.

In event of emergencies, or urgent request Sparton expects supplier to answer immediately. If this is not possible, the request has to be processed within 24 hours at the latest. In case it is not possible for Suppliers to provide definitive feedback within this time, supplier shall keep Sparton informed of current situation.

Sparton expects its suppliers to have implemented the necessary processes to ensure that potential problems having influence on the delivery performance or endangering supply of contracted products to Sparton are communicated as soon as they are identified.

Supplier shall inform Sparton immediately and without request in case of delivery problems (anticipated shortfalls in deliveries) or any situation or changes that could negatively influence Sparton business. This might include, but not limited to, information in case of delivery bottlenecks (e.g., weather), material shortages, change of carrier specification, or any problem in data transfer etc.

In addition, the parties inform each other in exceptional cases (e.g., product line transfers) in which foreseen changes are not yet visible and consult each other about necessary adjustments.

5.0 Delivery Schedule / Dates

In general, delivery schedules identified on the purchase order are contractual dock dates to Sparton. It is the supplier's responsibility to ensure the delivery of contract products by the established dates.

Any supplementary agreements and changes made by word-of-mouth (e.g., telephone) must be confirmed in writing by both parties.

6.0 Point and Time of delivery

Unless otherwise agreed upon in writing. Supplier shall deliver products to the delivery address identified on the purchase order.

Supplier is obligated to manage its shipment process to ensure product arrives at Sparton by the date specified on the purchase order. It is responsibility of the supplier to calculate the date of the planned pick up with the forwarder, shall consider the transit time, and any other factors in delivering the product to meet the agreed upon contract date on the purchase order. Supplier is responsible to monitor on time pick up or dispatch.

In case supplier cannot meet the agreed upon date on the purchase order the buyer shall be notified immediately in writing. It is the supplier responsibility to arrange for expedited transportation to ensure the dock date is met. Unless otherwise agreed upon by the Sparton buyer.

Additional cost for any expedited transportation (e.g., premium freight, hand carry, etc.) that may be necessary to ensure that the contract product arrive at Sparton location on the date in the purchase order, shall be borne by the supplier.

Sparton reserves the right to charge Supplier all additional costs connected with above mentioned special transportation and/or any delivery delay, including premium freights that Sparton may incur.

In case of urgent requirements, Supplier shall ensure full transparency and open communication channels are maintained during the transit time of the products until they are received at Sparton.

Deviations from the purchase order dates (part deliveries, deliveries before the deadline or deviation quantities and additional deliveries) caused by Supplier shall be carried out following prior agreement with Sparton buyer.

Sparton reserves the right to reject or return through RMA process at Supplier's expense any delivery of products received before or after the arrival date or in excess of the quantity specified in the purchase order. Sparton shall have no obligation to accept delivery of or pay for material or transportation product manufactured and or delivered in advance of or in excess of purchase order date.

7.0 Confirmation by Supplier

Sparton requires suppliers to provide order acknowledgement at the time PO is issues.

It is supplier responsibility to confirm parts shipment, unless otherwise agreed with the buyer supplier is required to provide report with weekly inbound shipments containing price and TAT.

If Supplier objection is timely received by Sparton, Supplier shall be obligated to provide Sparton a detailed recovery plan within five working days after the receipt purchase order with supplier is objecting. The provision of any plan or acceptance of any plan by Sparton does not release the Supplier from the obligation to initiate commercially reasonable measures to meet the upward demand. The obligation to comply with previously confirmed deliveries should also not be affected by this.

If Supplier is not able to meet provisions of purchase order or forecast, they must clearly point out the exact deviation and reason to Sparton in writing. If delivery which the usual transit times is jeopardized, Supplier has to inform Sparton without undue delay significantly prior to the requested delivery date.

8.0 Supplier Risk Management Process

Sparton expects supplier to implement risk management process in place in order to ensure deliveries even in abnormal situations. Risk management processes could be by way of example processes, which supports in identifying, analyzing and taking steps to eliminate and prevent possible bottlenecks in logistics processes (e.g., escalation path) or contingency planning.

1.1 – Risk of material shortage

If a material shortage is foreseeable, and might affect the supply of Sparton, Supplier must initiate countermeasures without undue delay. The primary objective is to avoid production interruption. Supplier is required to inform the respective purchasing department at Sparton immediately to manage the material shortage and any purchase order schedule to ensure 100% delivery to Sparton.

Material shortage shall mean a situation where the quantity supplied of specific contract product falls short of the quantity ordered at given time and at given place.

Upon request, the Supplier must provide detailed information about the shortage situation as follows:

- ➔ Root cause of the material shortage
- ➔ Action plan and back to green plan including estimated date of problem resolutions.
- ➔ Output plan
- ➔ Shipment tracker

Supplier shall develop, establish, and implement emergency plans to ensure that supply to Sparton is not disrupted.

9.0 Delivery Terms

Supplier and Sparton agree on delivery terms according to specific requirements of the supply chain.

10.0 Labelling & Packaging

The supplier agrees to label all packaging units.

The supplier agrees to deliver products according to the agreed packaging and all applicable legal regulations.

All Suppliers should aim to achieve to reduce waste in general and avoid environment pollution. The handling of packaging can make significant contribution to it.

Any package material that cannot be reused or recycled must be disposed in compliance with national legislation.

As general rule, parts have to be packaged such that the use of packaging material is kept to a minimum while adequately protecting the part.

General Packaging Requirements:

- ➔ Tight
- ➔ Dustproof
- ➔ Chemically Neutral
- ➔ Sturdy
- ➔ Tear-Proof

General Packaging Requirements (storage, handling and shipping functions)

- ➔ Damage Free
- ➔ Stackable, slip resistant.
- ➔ Standardized for easy handling.
- ➔ Designed to form units and to save space.



Typical transportation / loading unit (including pallet and cover)

Minimum dynamic stacking factor = 2 (1+1), best case = 3 (1+2)

Blocking and bracing if necessary

Where possible shrink, stretching or wrapping of loading units should be avoided in general because of:

- ➔ Additional handling
- ➔ Additional waste
- ➔ Employment protection / safe work

It is not allowed to fix stacked transportation unit to each other. There is a high risk for the unloader if stacked pallets are fixed to each other.



11.0 Requirement per handling unit

A handling unit is a physical unit made up of a packaging of goods in it. It may also be that multiple handling units are packaged together inside a bigger transportation unit, like e.g., pallet.

- ➔ Easy to open and re-close, easy to repack, re-usable.
- ➔ Economical
- ➔ Easy to dispose.
- ➔ Without metal bracket or clips for personal safety
- ➔ Suitable for manual handling
- ➔ Recommended gross weight for manual lifting 25 lbs.

In case of small handling units, these should be packaged inside an outer cardboard box. It is expected small handling units should fill out the outer cardboard box from bottom to top.

Handling unit that would initiate non stack ability of typical transportation unit is not permitted.



To avoid unnecessary freight charges, Sparton encourages its suppliers to consolidate deliveries to reduce the number of pallets as well as the number of inbound shipments made each week. This can be accomplished by mixing part numbers onto a single pallet. When doing so the supplier must provide adequate identification indicating that a particular shipment has mixed material (see example below). It is not acceptable for multiple part numbers to be mixed over multiple pallets.





Preferred Pallets

Construction: 4-way-free-entry block pallets

Material: Made of wooden pallet

Dimensions: 45 X 31 X 5.5in and 45 X 38.5 X 5.5in

Due to transport damage press wood pallets are not accepted. Press wood pallet does not have sufficient stability.

Plywood pallets are accepted, but not preferred.

Plastic and Metal pallets are acceptable but should be avoided.

Not Accepted	Accepted
	

12.0 Load Securing

Loads to be secured preferably using polypropylene (PP) or polyester (PET) straps.
Steel or metal straps should be avoided.

Padding and Shock-absorbent material

The use of padding and shock-absorbent material shall be minimized by adapting quantities to the package size. Packages shall not be padded using expanded polystyrene or chips.

13.0 ESD Protection

Electrostatic sensitive devices (ESDS) are electrostatic discharge (ESD) sensitive parts, which need to be protected against electrostatic charges and hard discharges as well as electrostatic fields during handling and transport.

Discharge shielding packaging material must be used.

The ESD requirements for packaging are determined by:

- ➔ The ESD sensitivity of the device to be packed.
- ➔ The environment in which the packaging shall be used.
- ➔ Whether the packaging directly contacts or surrounds the parts

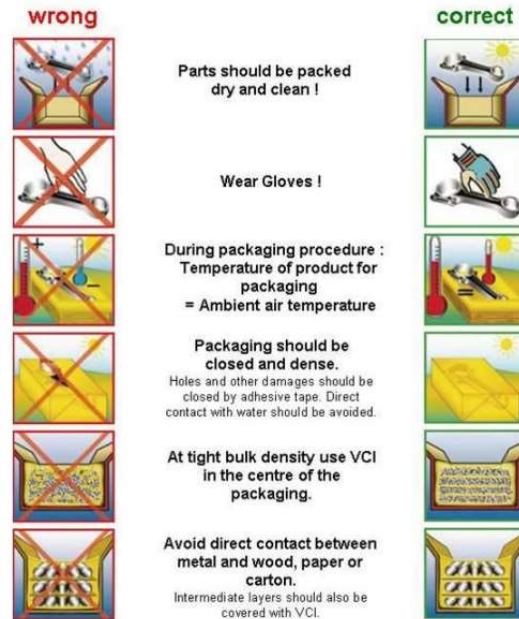
ESD protection package must be marked with appropriate ESD symbol.



14.0 Requirements for humidity control and corrosion prevention

Component that may be susceptible to moisture / corrosion / rust and are shipped or stored in damp or humid environments require the use of corrosion protection methods.

- ➔ Desiccant bags
- ➔ VCI (volatile corrosion inhibitor)
- ➔ Corrosion intercept-method
- ➔ Aluminum laminated film



15.0 Transportation

For all shipments, the Supplier shall comply with any and all applicable national and international rules, laws, regulations and requirements (ITAR, EAR, DOT, IATA, IMDG, OSHA, etc.).

Supplier shall hand over the shipments to the nominated transportation mode according to the respective delivery term agreed.

In order to meet the requested arrival date, the supplier shall calculate the date of planned pick-up of the contract products considering the transit time.

The supplier shall ensure the correctness and completeness of all shipping documents according to national / international legal standards, customs requirements and required information of Sparton.

In event that a time-saving alternative transportation (e.g., premium flight, hand carry, next flight out) become reasonably necessary, as in comparison to standard transportation, it shall be coordinated by the supplier in its own name.

Weight	Carrier	Contact
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US Domestic Economy Parcel <150 lbs (70kg) Account Number: 341649	UPS Mandatory: Purchase Order number must be entered in Reference Field 1	UPS 425 Fentress Blvd. Daytona Beach, FL 32114 Phone Number: +1 386-253-8602
International – Canada & Mexico <150 lbs (70kg) Account Number: 341649	UPS Mandatory: Purchase Order number must be entered in Reference Field 1	UPS 425 Fentress Blvd. Daytona Beach, FL 32114 Phone Number: +1 386-253-8602
International Freight – Canada & Mexico >151 lbs to 10,000 or Max 6 skids Account Number: 352322687	FedEx Freight Mandatory: Purchase Order must be references in the Bill of Landing	1-800-463-3339/1-800-GOFEDEX 10445 Tradeport Drive Orlando, FL 32827 Phone Number: +1 407-888-3980
Us Domestic Freight Account Number: 352322687 >151 lbs to 10,000 o Max 6 skids	FedEx Freight Mandatory: Purchase Order must be references in the Bill of Landing	1-800-463-3339/1-800-GOFEDEX 10445 Tradeport Drive Orlando, FL 32827 Phone Number: +1 407-888-3980
Truckload 10,000 and Over	Contact Sparton Shipping Department / Assigned Buyer	Phone & Email Ph: 386-740-0159 Fax: 386-734-6471 shippingdls@sparton.com
Expedited Freight / Air Freight	Contact Sparton for authorization	Assigned Buyer
International – Overseas Countries to USA <70 lbs	DHL Express FedEx	1-888-273-8876 https://mydhl.express.dhl/us/en/home.html 1-800-463-3339/1-800-GOFEDEX
International – Overseas Countries to USA >71 lbs	DHL Global Forwarding	https://www.dhl.com/us-en/home/global-forwarding/help-center.html
Vendor Supplied Truck	Supplier to provide deliveries during normal business hours	Phone & Email receivingdls@sparton.com
Freight Billing Information		
Sparton DeLeon Springs, LLC Attention: Accounts Payable 5612 Johnson Lake Road De Leon Springs, FL 32130		
Remit Freight Invoice		

Sparton DeLeon Springs, LLC
C/O MacroTransport Logistics
265 Clyde Morris Blvd., Suite 200
Ormond Beach, FL 32174

Ph: 877-784-3433

Fax: 386-236-1996

***MacroTransport Logistics handles Sparton's auditing and payment of all freight invoices within the terms agreed between Sparton and our designated carriers. MacroTransport Logistics should never be billed directly*

Note to Suppliers and Sparton: DO NOT declare a value on the carrier bill of lading to avoid additional costs.

16.0 Shipping & Billing Address

Collect Shipment

Mark the Bill of Lading (BOL) COLLECT as method of payment for incoming freight being paid by Sparton.

- Account number does not need to be supplied for LTL/Truckload Shipments Except in the case of volume shipments. Volume shipments are those consuming six or more positions of floor space and/or shipping weights over 5000 lbs.
- Account number DOES need to be supplied for Fed Ex and UPS shipments.

Third Party / Drop Shipments

- Mark BOL THIRD PARTY as method of payment for freight being shipped from one supplier to another (where Sparton is not the consignee) for which Sparton is paying the freight.

17.0 Designated Freight Charges

Any shipment made at Sparton's cost must use one of the designated freight carriers or will be subject to chargeback for freight charges. If carriers cannot meet your requirements, please contact Sparton shipping department at shippingdls@sparton.com.

Any use of an expedited and/or overnight service must have the approval of the responsible Sparton buyer. Failure to notify the applicable buyer may result in chargebacks.

18.0 Oversized Packages

Although there are no limits to the total weight of your shipment or the total number of packages in your shipment, FedEx and UPS has established specific weight and size limits for individual packages within the shipment.

Supplier are required to weight and measure the package to determine the shipping method, which might be standard delivery, oversized shipping, or freight.

Additional surcharges may result from weight of packaging (if exceed limit established by carrier)
Oversized packages are determined by dimensions of the package as below:

Supplier is responsible for identifying packages that may be outside of the identified limit and if package is outside of established guidelines. Whenever possible Supplier shall consider dividing the shipment into multiple packages or seek approval of assigned buyers.

19.0 Package Specification

Packages can weight up to 150 lbs. (70kg)

Dimensions with combined length and girth up to 165 inches (419 cm)

Packages can be up to 108 inches (2770 cm) in length

20.0 Bar Code Standard

Bar-Code Standard - Data Format and Mandatory Fields:

The data format is Code 128, with both human readable and data title (refer to label example below), and must be in Specific Order Presentation, without identifiers.

A label shall be placed on each container/ box, with its appropriate information on the label. (Sparton PO, Sparton P/N, Quantity per container, Manufacturer Name, Date of Manufacture, Suppliers Part Number).

When multiple part numbers are packaged on the same skid, a (Master label) identifying each part number and total quantity for that part number(s) along with the purchase order shall be affixed to the outside of the skid.

Data fields required on the bar code label (Reference Fig 1 below) are:

Sparton Purchase Order number – maximum length 10 characters.

Sparton Part Number (without Revision level) – maximum length 20 characters.

Package Quantity – maximum length 12 characters.

Manufacturer Name – maximum length 12 characters.

Date of Manufacture – maximum length 34 characters.

Manufacturer Date Code – maximum length 12 characters.

Sparton Part Revision

Expiration Date as Required

Label Layout and Location Requirements:

Labels must be positioned on the package to allow scanning of all fields.

Label placement shall conform to the follow:

Tubes – affix label to a flat surface, so that bar code and print remain scannable and legible.

Reels – affix label to a flat surface near the periphery of the reel, so that bar code and print remain scannable and legible.

Trays – affix label to a flat surface of the protective cover tray, so that bar code and print remain scannable and legible.

Boxed parts – affix label to a flat surface on the side of the box, so that bar code and print remain scannable and legible.

Master Shipping Carton – does require a bar code label of the total master shipping container quantity.

If the bar code cannot be scanned through protective material (ESD, moisture bag, stretch wrap, etc.), then a redundant bar code label must be affixed to the outside of the material to allow for proper scanning.

If there are multiple packages within one outer container, there shall be one main bar code label on the outer container with the total quantity (P/N, DOM) of the container.

FIG 1 – (Label Example)

LABEL SIZE: 2 inches High by 4 inches Long

SUPPLIER NAME		
Sparton PO: (Human Readable (12)) ①		② Sparton P/N: (Human Readable (20)) Rev:
③ Quantity: (Human Readable (12))	Unit:	Manufacturer Name: (Human Readable (12)) ④
⑤ Date of Manufacturer: (Human Readable (34))	Expiration Date:	Suppliers Part Number: (Human Readable (32)) ⑥

NOTE: Reference the Sparton PO number only; do not include any PO line reference. Alpha characters are not acceptable in the PO number field. The Sparton Part number must only contain the part number, do not include identifier. Example: 130-5555-121 for quantity, indicate the quantity in numerical form only

21.0 Incoming Packaging Requirements

It is the supplier responsibility to provide individual and/or collective packaging for the goods. The packaging provided by the supplier shall ensure preservation of the material during transportation till and ensure that the goods will reach its destination in sufficient condition.

22.0 Notification of Increased / Reduced Quantities

Supplier is responsible to inform Sparton buyer in case of quantity deviation as compared to the delivery schedule.

In the case that quantities are lower than quantities required for arrival on day X at Sparton, caused by the supplier, the supplier must arrange a special delivery (on his behalf) on day B to ensure that quantities stated in the purchase order are met.

If premium freight is organized by Sparton, Sparton will charge all additional cost of premium freight to the supplier.

23.0 Common Considerations on Packaging

Handling units should be stackable

Incomplete skids are forbidden

Mixed parts in a box are not allowed

Boxes or product must not overhang any sides of the skid

All skids must be secured

If skids cannot be double-stacked, the appropriate labels are to be adhered to each skid Proposed Packaging specification shall be submitted to Sparton by the supplier during the First Article process on PUR-01-01-12-01 Packaging Standard Form.

24.0 Special Handling Requirements

In certain cases, Sparton materials may require special packaging, handling and transport. The shipper must ensure items of this nature are processed according to federal guidelines. Materials of this nature include those identified as HAZMAT, Explosive, or other items that may pose risk of bodily or environmental harm.

25.0 Documentation

All shipments must have a packing slip as well as a manufacturer's certificate of compliance. All documents must be contained inside the packaging or properly affixed to the exterior of the shipping container or palletized load. Sparton requests that two copies of each packing slip be provided for its own internal use.

All LTL and TL shipments must have a complete and accurate Bill of Lading accompanying the shipment. In addition to shipper and consignee information, the BOL must include:

Freight classification	Number of packages	Dimensions	Weight
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Inaccurate or missing data may result in unnecessary addition carrier charges and are subject to supplier chargebacks.

Shipping documentation are also to be sent to receivingdls@sparton.com

26.0 Box Weights

Standard box weight for all material must not weigh more than 35 pounds each due to safety concerns. Boxes exceeding this weight will have to be repackaged at Sparton and the supplier charged back for the cost.

Please refer to the Mullen indicia (see below) on the bottom of every corrugated box to understand the limits of your box. Boxes and contents must be able to withstand shipping handling at carriers' locations.

27.0 Tape

Reinforced tape color shall be clear or match the corrugated color of the outer facing.

Tape shall be 2" or 3" wide, or bidirectional reinforced paper tape.

Mullen Indicia



28.0 Dunnage

Because of static issues, the use of packing peanuts is strictly forbidden.

When using paper for dunnage, shredded paper must not be used, use crumpled sheets of paper. Instead.

All electronic components require anti-static packaging and anti-static dunnage. Chemical / hazmat components requires vermiculite dunnage.

29.0 Hazardous Materials

All incoming hazardous materials MUST be accompanied by an MSDS sheet. The expiration date MUST be clearly notated on the packing slip.

The supplier must place a NFPA or HMIS label to each chemical container, manufactured or from retail. The appropriate Fire, Health, Reactivity and Specific Hazard ratings must be filled in. Product Information must not be covered. The expiration date of the chemical must be noted on each container, preferably on the NFPA label.

All of the appropriate DOT labels for hazardous materials must be visible on each container shipped.

30.0 Conformation of Receipt

Upon understanding of the requirements set forth in this desk guide, please complete and return the Conformation of Receipt and Understanding in Appendix B below.

Appendix A



Conformation of Receipt and Understanding

By returning this Receipt Acknowledgement, we the supplier hereby understand the requirements set forth by Sparton in this Transportation & Logistics Manual. We will abide by the requirements and responsibilities defined within this document.

Company Name: _____ Date: _____

Company Representative: _____

Title: _____

Comments: _____

REVISION HISTORY

DATE	REVISION	REVIEW In Process or Complete	REQUESTOR	CHANGE HISTORY / REASON
8/26/2020	A		Mike Karwinski	Initial Release
11/2/2020	B		Mike Karwinski	Incoming packaging requirements: Remove Appendix A (Form) to be stand-alone. Conformation of receipt: Change from Appendix B to Appendix A Add PUR-01-01-12-01 Packaging Standard Form
5/17/2023	C		Solange Eckert	PUR-01-01-12 - Freight Guide has been re written and is now to be called PUR-01-01-12 Transportation & Logistics Manual Specific transportation and logistics requirements were expanded and clarified for improved Sparton & Supplier collaboration and partnership (QA16974)