

Dear Valued Supply Partner,

Sensata Technologies would like to share with you an IMMEDIATE policy change regarding invoices received with no purchase order number reference. Sensata will be implementing a strict No Purchase Order No Pay policy. This means that if a Supply Partner provides any good or service without an authorized purchase order, the supplier is taking a risk that they may not be paid for the goods or service provided.

This policy has clear benefits for both organizations. A purchase order confirms that your company is set up in our ordering system and the terms of purchase have the appropriate management approval and adheres to our mutually agreed terms. Once you receive the purchase order you can review the terms and confirm the order. It also ensures that you receive all the necessary information in which to generate the invoice. We are confident that this policy change will improve the accuracy and on-time payment cycle of invoices, which will further strengthen our relationship.

Effective immediately ALL suppliers will be required to request a PO from their Sensata business partner prior to issuing goods or services. The assigned purchase order number should accompany all commercial documents that reference that order (packing slip and all invoices). In addition, we request that you include the purchase order release number on the invoice to ensure our team accurately posts the shipment receipt to the appropriate line referenced on the purchase order.

Invoices received without purchase order number referenced on the invoice will be rejected and returned by our accounts payable team.

A communication will accompany the returned invoice notifying you of the non-conformance and request that you issue the invoice with an authorized Sensata PO number referenced.

We will not accept invoices with original invoice dates, as in many cases the re-invoice will be issued overdue. Upon receipt of the returned invoice, you should issue a credit memo to the invoice without a purchase order and issue a new invoice with the current date and valid purchase order.

Sensata Technologies values our relationship and appreciates your support of this important policy change.

Should you have any question regarding this communication please feel free to reach out to Tony Angelone, Global Indirect at (508) 236-1736 or e-mail at aangelone@sensata.com for any questions or policy clarification.

Best Regards,

Guilherme Pizzato
Vice President and Chief Procurement Officer

Frank DeVita
Treasurer