

C O R P O R A T E
GUIDE

2016

SUMMARY

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1 | LIZARTE: MORE THAN 40 YEARS IN THE AFTERMARKET SECTOR

Lizarte was founded in 1973 by Eduardo Huarte.

Before launching his own company, Eduardo Huarte, who was trained as a mechanical engineer, set up the Renault network in Venezuela, before returning to Spain in the early 70s.

The story started with the redemption and repair of a batch of racks after a fire!

Today, Lizarte is a major Spanish manufacturer of remanufactured spare parts for automobiles. Its 40 years in the business and its large investment in RDI (Research, Development and Innovation) make Lizarte an European leader in the standard exchange spare parts market. Today, depending on the product lines, it is positioned as a reference among the companies in its business sector.

The headquarters of the company and plant is in Pamplona (Spain), at the heart of the Navarra region, (close to Volkswagen facilities).

Well established in Europe, the company has 6 warehouses in Spain 8 warehouses in France and another warehouse in Germany.

Its customer base is mainly formed by independent distributors-stockists and/or those belonging to big national and international distribution groups.

More than 4500 article references

Lizarte uses a fine-tuned logistics system, based on the central warehouse in Pamplona and its various warehouses, enabling it to send orders all over Europe at D+1 for an order placed the day before, by 15:00 hours in Spain and France.



Thus, Lizarte enables its customers to replenish their stock quickly.

Locally, representatives operate within their sectors and draw on a large network of contacts that ensures there is a daily relationship between the supplier (Lizarte) and the customer.

Lizarte's range of over 4500 article references includes steering racks and pumps, air-conditioning compressors, diesel injection (injectors and diesel pumps) and also suspension spheres for Citroën (the only new product manufactured and not remanufactured).

From the beginning, the company's philosophy has been based on identifying and meeting customer requirements.

Its main strength lies in its ability to constantly innovate, using the last technologies available in the automobile industry (and often being the a reference in the use of highly sophisticated test benches, ultrasound machines...), in order to always improve the quality of its products and customer service.

Lizarte aims at continuous growth, always keeping in mind the human factor, for its employees and customers (training, local hiring.).

Lizarte also has a website with online catalogue: the customer can consult prices, promotions, availabilities and order any part whatsoever 24/7. A hotline with assistance is also available uninterruptedly from 8: 00 to 19:00

Finally, all Lizarte products are guaranteed for 2 years.

Key events in Lizarte's history:

- 1973 Foundation of Lizarte.
- 1983 Start of Citroën suspension spheres manufacturing
- 1992 Start of steering racks remanufacturing.
- 1997 Start of steering pumps remanufacturing.
- 2001 Start of air-conditioning compressors remanufacturing
- 2003 ISO TS 16949 certification.
- 2009 Start of engine calculators (ECUs) and counters repairing.
- 2012 Launch of the new website and of the Tecdoc on-line catalogue (available 24/7).
- 2013 Lizarte celebrates its 40th birthday .
- 2014 Launch of the Mecatronics business line
- 2016 Introduction in TecCom B2B platform

2 | THE DIFFERENT PARTS RANGES

Lizarte offers a wide range of remanufactured parts compatible with all car makes and models:



- Steering systems: manual, hydraulic, electric (EPS), steering columns and steering boxes.

Steering systems control wheel movement by means of the column. There are two types of steering: rack and pinion (most common) and screw, which can be assisted by hydraulic pumps or electric motors.

Lizarte has over 1400 article references in its steering systems range, including all the makes and models on the market (mechanical or assisted steering systems, steering box, steering systems with electric or electronic assistance).



- Steering pumps: mechanical, electric and electronic (EHPS).

The assistance pump is the hydraulic component of the assisted steering system that uses either the engine's force or the electrical force to circulate oil through the hydraulic circuit from a deposit, towards the steering distributor.

With nearly 1000 article references, Lizarte offers hydraulic, electric and electronic pumps for all makes and models on the market.



- Air-conditioned compressors.

Used in all air-conditioning systems, this part collects the refrigerant in gas form at the evaporator, compresses it and sends it towards the condenser. It is actuated by the crankshaft belt.

- Lizarte offers a wide range of over 1300 new or reconditioned air-conditioning compressors of the top makes (Bosch, Calsonic, Delphi, etc.) for passenger cars and industrial vehicles.



- **Diesel injection.**

In a diesel engine, the injection system is in charge of dose and gives pressure to the fuel in order to arrive at the cylinders, in the best condition to be pulverized.

We remanufacture Injectors, common rail pumps, VP pumps and injector pumps



- **New suspension spheres for all Citroën models.**

Hydro-pneumatic element developed by Citroën, it is a hollow metal sphere with a flexible membrane containing nitrogen at high pressure. This part requires its components to be new in order to guarantee their quality and duration.

The Lizarte suspension spheres range has over 100 article references and covers all Citroën models, from the DS to the C6 and including spheres for Rolls-Royce.

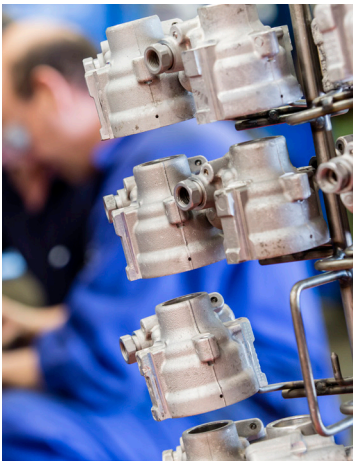
Deposits policy

All Lizarte's products are remanufactured, except the suspension spheres. The deposit is invoiced at the time of sale and reimbursed as soon as the core is returned. The core (used part) must be returned quickly as this is Lizarte's raw material.

3 | OUR MANUFACTURING PROCESS

Lizarte's production is divided into two main manufacturing lines: remanufactured products and suspension spheres.

The phases of the product «remanufacturing» process can be summarised in seven stages:



- 1. Reception and storage of cores:** when the core is received, a first visual inspection is carried out, then it is stored by article reference.
- 2. Dismantling:** in this phase, the spare part is completely dismantled into components.
- 3. Cleaning of "Ok" components:** this is done using different technologies such as industrial washers and ultrasound washers.
- 4. Recovery of components:** according to the type of component to be recovered, different tasks must be carried out, such as polishing, chrome plating, rectifying, straightening, etc.
- 5. Assembly of product:** the components recovered and the new components purchased (reservoirs, gussets, bearings, hoses...) are assembled on the different lines.
- 6. Unit testing in test benches:** 100 % of products are checked (checking of leaks and correct operation). Each product line has its own specific control bench.
- 7. Painting and packaging:** a good appearance on the outside reflects the care taken with the work on the product on the inside.

The phases of the suspension sphere manufacturing process can be summarised in seven stages:

1. **Press forming of the steel disk:** the steel disk is transformed into a half sphere.
2. **Counterboring of the metal plate:** in this face the internal components are introduced (the membrane and its fixture)
3. **Closing of the sphere:** the valve body is added and the half sphere becomes a sphere.
4. **Welding of the valve body** to the metal plate, sealing the sphere.
5. **Introduction of the valve and filling with nitrogen:** each article reference has its own valve and the nitrogen load is also different.
6. **Riveting of the valve.**
7. **Painting, marking and packaging:** with identification of the article reference, its allocation and the date of manufacture.

4 PRODUCTION & MACHINERY SITE; DISTRIBUTION & LOGISTICS

Among Lizarte facilities, a warehouse is devoted to the storage of the cores.

The Pamplona plant has a range of equipment to check the quality of the parts before they are delivered.

Checking equipment:



- 2 hydraulic steering test benches, 1 steering box test bench and 1 electric steering test bench (EPS).
- Lizarte uses a unique and protected technology called SMARTCAN for the checking and repairing of the steering systems and electronic columns of wide range of car models .
- 2 mechanical steering pump test benches and 1 electric and electronic steering pump (EHPS) test bench.
- 1 air-conditioned compressor test bench.
- 7 diesel injection test benches to verify injectors, common rail pumps, VP pumps and injection pump.

Other equipment:

- 4000 kN press for shaping suspension spheres.
- Welding robots for sealing suspension spheres.
- Ultrasound washing machines for cleaning components.
- Diagnostic equipment.
- Sealing checking equipment.
- Crack detectors.
- Automatic polishers.

Distribution and Logistics:

Lizarte has a large stock of finished products in its central warehouse in Pamplona, enabling it to meet its customers' orders and re-supply the stock of each of its warehouses.

In order to help customers re-stock their range, Lizarte can deliver, on the same day or in 24 hours, nearly 96% of orders when the products are in stock.

For continuous improvement purposes, Lizarte has signed preferential agreements with certain carriers in order to be able to deliver the product, even if it is not in any of its depots, at a very competitive price, guaranteeing the same service quality.

From Pamplona, the delivery of the products in 24 H is guaranteed for the whole of France for all orders placed before 15:00 hours.

Thanks to its management system, Lizarte knows in real time what article reference is in each depot.

5 | EXECUTIVE STAFF

Oscar Huarte Azpíroz – President and CEO

Mónica Fuentes – Commercial business unit Director

Richard Izquierdo – Marketing Director

Marina Álvarez – Country manager France

Geert Ongsiek – Country manager Germany

Miguel Ruiz – Country manager Spain

Rafa Clavería – Industrial business unit Director

Luis María Álvarez – Innovation and Quality Director

Cristina García – Purchasing Director

Alvaro Armendariz – Administration Director

6 | LIZARTE, A RESPONSIBLE COMPANY

Lizarte and ecology

Remanufactured automobile spare parts contribute to an effective use of existing resources and favour sustainable development.

In the US, this industry is much better established than in Europe. There it is better known to consumers and better acknowledged by the Government.

In Europe, the business started in the early 70s. In 1973, Lizarte was one of the pioneers in this field, becoming the first European company to remanufacture car steering systems.

Today more than ever, Lizarte is using its experience to offer high-quality products while preserving the environment.

7 | DATA CONTACT

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