



# FIFTH THIRD BANK

38 Fountain Square Plaza  
Cincinnati, Ohio 45263

## Supplier Handbook 2018



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## Corporate Profile

Fifth Third Bank, established in 1858, is a diversified financial services company headquartered in Cincinnati, Ohio. Fifth Third is among the largest money managers in the Midwest, and as of March 31, 2017, had \$323 billion in assets under care, of which it managed \$33 billion for individuals, corporations and not-for-profit organizations through its Trust, Brokerage and Insurance businesses.

*Suppliers are key to seamlessly delivering the products and services that our customers want, when they want and how they want.*

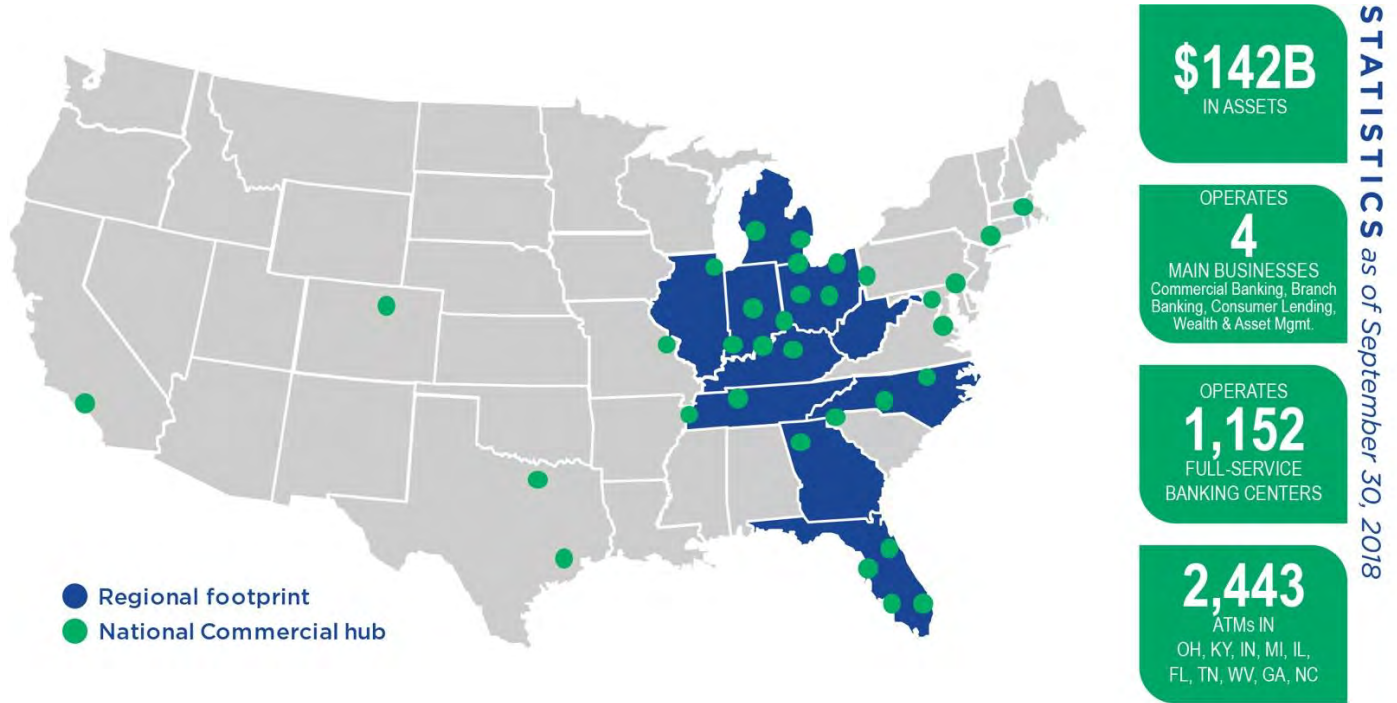


Figure 1.1 Fifth Third Bank footprint

We could not deliver the diverse set of products and financial services to our customers without you, our supplier partners. We put the customer at the center of everything we do, and we look forward to partnering with suppliers who share our commitment to our customers. We have created this Handbook to aid in the supplier onboarding process and to clarify some of the governance programs that have been established as a result of being a regulated financial institution. The purpose is to walk you through each step in the process, in hopes of streamlining your onboarding experience.



## Foundational Elements

At Fifth Third, we believe that strong supplier relationships are key to our ability to deliver value to our customers. Every outsourcing relationship carries with it some risk. Some of that risk is inherent in the process of outsourcing. Some of the risk stems from the process itself being outsourced. Regardless of the source of the risk, it exists! If not managed effectively, the use of suppliers could expose the Bank to financial loss, regulatory action and reputational harm.

Fifth Third Bank is committed to fostering a strong risk and compliance culture, a component of which is how we manage the inherent risks of utilizing suppliers. Multiple regulations exist that speak

***We firmly believe that strong supplier relationships are key to our ability to deliver value to our customers.***

directly to the expectations of Financial Institutions related to the use of suppliers. Examples of these regulations include the Federal Reserve SR 13-19 as well as various bulletins issued by the Consumer Financial Protection Bureau (CFPB), the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC).

A component of the Bank's onboarding process and of our ongoing relationships will have a focus on risk management. As good stewards of the Bank's assets and responsible business people, we need to ensure that by outsourcing our obligations to you, you are able to fulfill those obligations with the same level of care and diligence that we would. The following pages provide an overview of what you can expect by doing business in a regulated environment.



# Supplier Lifecycle

Throughout this Handbook, we will explain each phase of the supplier lifecycle, and what you can expect to happen within each phase. Suppliers are also referred to as vendors, service providers, and/or third parties. Additionally, we share applicable tools and resources you can use to simplify and expedite the process.

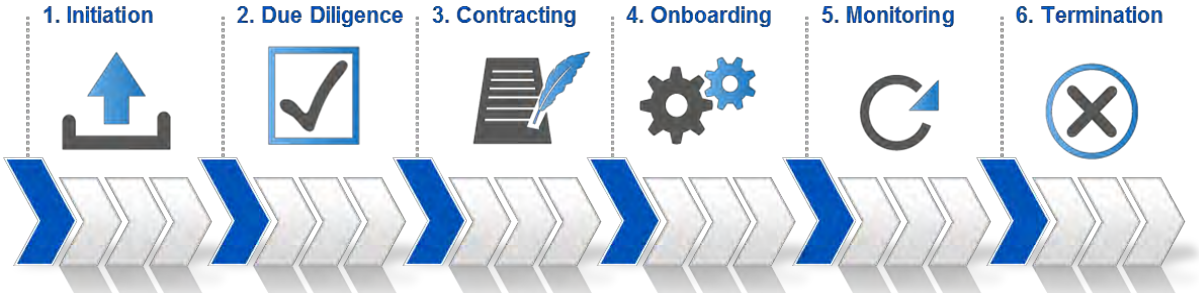


Figure 1.2 Phases of the supplier lifecycle

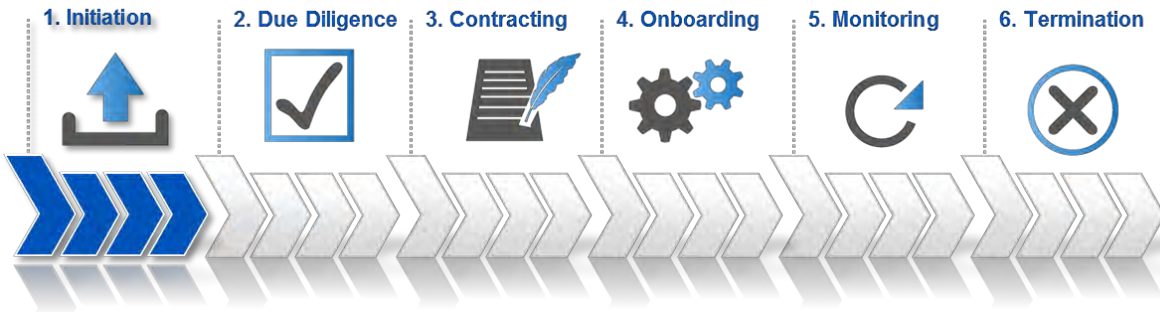


Figure 1.3 Initiation Phase of the supplier lifecycle



**Supplier Lifecycle | Initiation & Selection**

To achieve our goals, Fifth Third seeks to strategically partner with highly qualified suppliers that provide solutions that improve our processes and service levels, increase the quality of our products and services and reduce our total costs while meeting Fifth Third Bank’s risk management and compliance expectations.

The Bank is committed to giving equal opportunities to all qualified suppliers and conducting the selection process in accordance with the highest standards of integrity, fairness and objectivity. The

*We seek to strategically partner with highly qualified suppliers that provide solutions that improve our processes and service levels.*

Bank continues to be committed to supplier diversity and inclusion. We believe that promoting supplier diversity is an integral part of our success and we are proud of the many alliances and partnerships we have with diverse companies throughout our footprint.

For more information on our Supplier Diversity Program, please reference the Foundational Elements section.

Fifth Third’s RFX process is designed to ensure that all candidate suppliers receive the same requirements. RFX events are led by Fifth Third’s Sourcing team. **An executed non-disclosure agreement (NDA) is required** by both parties prior to participation in any Sourcing event. Completion of the RFX event is required for consideration when multiple suppliers are considered. For questions related to the RFX process, or for the status of a Sourcing event, please contact the applicable Sourcing contact.

Candidate suppliers are objectively evaluated using the following criteria to determine selection:

- Ability to meet the business, functional, and IT requirements
- Quality of the product or service being offered
- Acceptance of the Bank’s standard terms and conditions
- Delivery method of the product or service being offered



- Strategic fit into the Bank's portfolio of suppliers
- Overall cost

In order to protect the Bank and all candidate suppliers, as well as ensure regulatory compliance, Fifth Third expects all candidate suppliers to:

- Provide your best proposal to the Bank's requests for quotations
- Provide all requested information in a timely manner
- Act honestly, ethically and in a straightforward manner in all dealings with the Bank
- Adhere to the confidentiality obligations of the NDA, which include but are not limited to proprietary or customer information that could be shared during an RFX event, including pricing
- Comply with all applicable laws, legal requirements, and regulations

A contract must be in place before goods and services are provided to the Bank. A properly executed contract requires the supplier signature, as well as two Bank signatures. Following these guidelines will help ensure the Sourcing Process proceeds in an efficient and expedient manner.

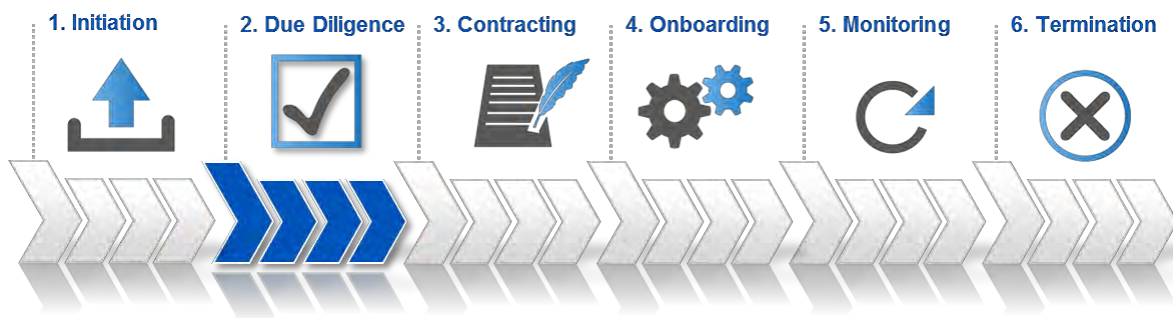


Figure 1.4 Due Diligence Phase of the supplier lifecycle



### Supplier Lifecycle | Vendor Due Diligence (Assessment & Review)

After Initiation and Selection is complete but prior to the execution of a contract, we will conduct a Vendor Due Diligence process to evaluate: the risk a vendor product/service may present to the Bank; your ability to manage all risk matters related to the individual product(s) purchased or service(s) being performed; the strength of your control environment; and your ability to effectively mitigate risk.

It is important to note that some elements of due diligence are conducted at the service level, not at the vendor level. A “service” is defined as “any specific or unique product, service, act, accommodation or offering, supplied to, or on behalf of, Fifth Third Bank by a supplier.” The rigor and

frequency of Due Diligence is commensurate with the level of risk presented to the Bank and/or our customers. Services provided may vary in risk level based on factors including, but not limited to: customer contact, data hosting/storing/managing, data center locations, Recovery Time Objective (RTO), type(s) of data shared (restricted, confidential, internal use), applicable compliance regulations, etc. Assessing vendors at the service level helps to ensure that variable risk levels are taken into consideration. **As new services are introduced, additional due diligence may be required**, depending on the time since the last review and the risk that the new service presents to the Bank. Vendors/Services may also be subject to due diligence recertification and ongoing monitoring based on a frequency determined by the Bank. For questions related to Vendor Due Diligence, please contact your applicable Line of Business contact or Vendor Manager.

What might trigger the need for additional due diligence?

- Change, or addition, of headquarters, operational location(s) and/or data center location(s)
- Change of data type or method by which data is being shared
- Change in amount of data being shared
- Change or addition of subcontractors
- Performance issues or incidents



- Vendor's system access changes
- Vendor's facilities access changes
- Vendor Service expands to additional departments
- Mergers or acquisitions
- Vendor financial hardship or change in financial health

**During vendor due diligence, requests for documents and Vendor Due Diligence information will be sent to suppliers in the form of surveys/questionnaires and requests via the Hiperos Third Party Management System.**

### **Hiperos, LLC:**

Hiperos LLC, aka Hiperos Third Party Management, provides the workflow related to the gathering and assessment of third party information, risk, compliance and performance. System-generated requests sent via the Hiperos systems will come from FifthThirdBank@mail.hiperos.com. Please note – this is not a monitored email address, so please do not reply to this specific email address. All responses to Vendor Due Diligence requests must be made using the Hiperos system to ensure a thorough, accurate and timely review. The following topics may be covered in these surveys:

- Information Technology / Information Security / Cyber Risk Mgmt.
- Operational Risk
- Vendor Management (subcontractor/Fourth Party usage)
- Reputational Risk
- Compliance
- Privacy
- Financial Crimes
- Bank Protection
- Human Resources
- Legal
- Insurance
- Internal policies and procedures
- Financial Health (facilitated via Rapid Ratings International)

### **Rapid Ratings:**

**Requests for vendor financial health information will be sent by our partner Rapid Ratings International.** Rapid Ratings facilitates the gathering and assessment of public and private company financial health information. Fifth Third utilizes this information to assess and monitor our vendors' financial condition.

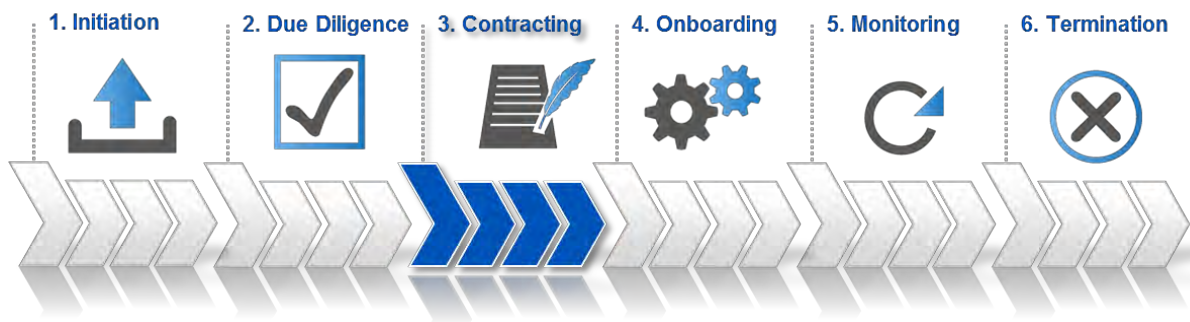


Figure 1.5 Contracting Phase of the supplier lifecycle



## Supplier Lifecycle | Contracting

In addition to completion of the Vendor Due Diligence Process, the supplier and the Bank need to formalize the terms of the contract. The purpose of this phase is to produce and secure a contract that details the obligation of the vendor, inclusive of standard contract language and other legal requirements (terms and provisions), Service Level Agreements (SLAs), and appropriate signoffs. SLAs will be developed, including remedies for non-performance, and are designed to recognize and address issues in a timely manner. The contract will protect both parties and seeks to clarify the mutual requirements of the Bank and Suppliers.

***A contract and purchase order should be in place with a supplier prior to a supplier providing any goods and/or services to the Bank.***

A contract and purchase order should be in place with a supplier prior to a supplier providing any goods and/or services to the Bank. Standard Bank contract templates will be utilized to ensure that all risk and compliance requirements are included and to ensure that the performance expectations specific to the service being provided is properly outlined. The Bank requires that

contracts are reviewed by the appropriate internal areas, i.e. Legal, Vendor Management, Finance, Compliance and other applicable risk experts as required, prior to execution to ensure all essential elements are incorporated including:

- Service Level Agreements
- Obligations regarding ongoing performance monitoring, notification and communication needs; and issue resolution;
- Clear allocation of risk and liability
- Terms required for customer facing services, i.e. call monitoring requirements, and participation in the Bank’s Third Party Complaints Program;
- Requirement that all vendor personnel acknowledge the Bank’s Contractor Policy;
- Additional terms and controls specific to the risks associated with the specific services being provided



## Your Use of Subcontractors (aka Fourth Parties):

The Bank recognizes that for multiple reasons, including, but not limited to, operational efficiency, cost avoidance, business continuity and industry expertise, vendors may subcontract or delegate part of their contracted duties and responsibilities to fourth parties. The subcontracting of services to fourth parties can alter the risk profile of the vendor relationship, depending on the type and criticality of the services being performed by the Fourth Party. In order for the Bank to determine if it is willing to accept this additional risk, the vendor must complete the Fourth Party survey/questionnaire in Hiperos so that risk experts can evaluate the vendor's Vendor Management Policies and Procedures.

The Vendor, and the LOB that utilizes the Vendor, should have specific and detailed knowledge concerning the identity of fourth parties, the use and role of fourth party relationships, what processes or functions are being performed by those fourth parties, and the vendor's willingness and ability to adequately manage and monitor those fourth parties. At no time, may any vendor subcontract or outsource any business function, or share any Bank or Bank customer/client data with any fourth party, unless the Vendor Due Diligence Process evaluates the vendor's use of Fourth Parties and ensures that adequate Fourth Party/Vendor Management policies and procedures were a part of the scope of the Vendor Due Diligence Review.

Additionally, the vendor shall be responsible, and liable, for any failure by, or related to, any fourth party with which they subcontract, to the same extent as they are for their own personnel (in accordance with Agreements with the Bank). Failure on the part of a fourth party can manifest risk to the Bank through adverse reputational exposure, legal action, and civil/financial penalties upon the Bank.

If at any time it comes to either the Bank's or vendor's attention that the vendor, or any of its fourth parties, are, or may be, in violation of any law, ordinance, code, regulation, or contract terms or conditions (or if it is so determined by any court, tribunal or other authority), the vendor must notify Fifth Third immediately. The Line of Business (LOB) should then ensure that the vendor will immediately take all appropriate steps to remedy such violation, to ensure compliance with any such law, ordinance, code, regulation, or contract terms or conditions in all respects, at vendor's sole cost and expense, and will immediately notify the Bank of the actual or potential violation and the actions planned or taken to remedy the violation.

Upon execution of any contract, the supplier will be provided a purchase order. Goods and services may be provided after a purchase order is received. Purchase orders are typically available within 1-2 business days of contract execution. Every supplier utilized by the Bank must be registered with 53Connect, the Bank's supplier management system for procurement operations, in order to receive a purchase order. Review and approval of new supplier registrations can take up to 5 days. In order to ensure prompt payments, if you are engaging in contract negotiations and you have not yet begun registration with 53Connect, please contact the 53Connect Shared Services team for assistance.

### 53Connect:

53Connect is the Bank's system for procurement operations. It is an application provided by Proactis that includes the 53Connect Supplier Portal, a contracts repository, and the Procure to Pay ("P2P") system. Emails from Proactis use the domain @proactis.com and emails from the 53Connect team will be from [53Connect@53.com](mailto:53Connect@53.com).



***53 Connect is the Bank's  
supplier management system  
for procurement operations***

Once a Bank employee initiates a request to introduce a new supplier, you will be invited to register your company with 53Connect. An email will be sent with a link which can be used to access your specific enrollment invitation. For detailed instructions on how to register in 53Connect, please email [53Connect@53.com](mailto:53Connect@53.com).

If you are interested in doing business with the Bank, but are not yet engaged in a Sourcing event, you can find more information about how to register by visiting <https://www.53.com/content/fifth-third/en/personal-banking/about/53-connect.html> and following the link to Supplier Self Registration with Proactis. If you are already engaged in business with the Bank, do not self-register. Contact 53Connect Shared Services at 1-866-673-2875 or email [53Connect@53.com](mailto:53Connect@53.com) for your enrollment information.

The 53Connect Supplier Portal is accessible by both our suppliers and the Bank. Enrollment is required by all suppliers and payments cannot be made until enrollment is complete.

Through the portal, suppliers should:

- Submit contact & address information, i.e., where to send Purchase Orders and where to remit payment;
- Submit information regarding company name changes;
- Submit copies of tax documents, (i.e., W-9, W-8);
- Request payments via ACH method or enroll in the Bank's Card Payables program
- View and receive purchase orders and view the status of the invoice

For more detailed information on how to be paid in 53Connect, please reference Getting Paid, located in the Onboarding section.



Figure 1.6 Onboarding Phase of the supplier lifecycle



## Supplier Lifecycle | Onboarding

During this phase, suppliers have completed the governance processes required for Onboarding to begin. Now, it is time to execute on the required oversight and monitoring that will occur in our ongoing partnership. In partnership with the LOB and Vendor Management, we will partner with you to develop a formal monitoring and testing plan.

### Getting Paid:

Fifth Third Bank's preferred payment method is by Card Payables or ACH/Direct Deposit with net 60 days for payment. Contact the 53Connect Support Team for more information on these options.

Fifth Third Bank requires an invoice from our suppliers in order to remit payment for goods and services. Follow the requirements below to ensure proper and timely payment of invoices. If an invoice is received and does not comply with the following requirements, it will be rejected and returned for correction.

Invoices must include the following:

- Vendor Name (must match the name on the purchase order)
- Purchase Order number
- Remit to Address (where the payment should be sent)
- Date of service
- Invoice Date (date invoice was created)
- Unique Invoice Number
- Supplier's internal unique invoice number
- Line item description of goods/services that are provided with the amounts. Line items in the purchase order should match the invoice line items



- If any services were performed outside of the U.S., the invoice must show the amounts due for those services on a separate invoice line
- Invoice total amount due
- Fifth Third Bank contact name and address
- Additional miscellaneous charges (i.e. sales tax, freight) MUST be separate items on the invoice
- Invoices should be emailed to [53Invoices.Bancorp@53.com](mailto:53Invoices.Bancorp@53.com) or mailed to: Fifth Third Bank, 5050 Kingsley Drive, Cincinnati, Ohio 45227 MD: 1MOC1Y
- If invoices are emailed each invoice MUST be a separate file within the email
- Supplier statements, quotes or proforma purchase orders WILL NOT be accepted as a valid invoice

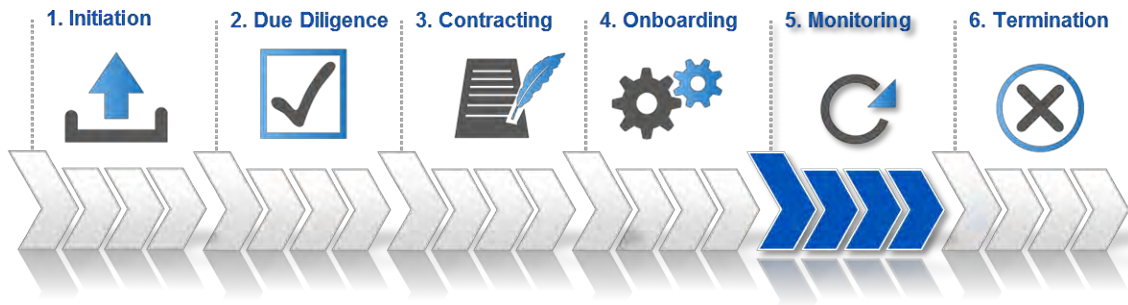


Figure 1.7 Monitoring Phase of the supplier lifecycle



## Supplier Lifecycle | Ongoing Monitoring

The level of Ongoing Monitoring required for each supplier is determined by the level of risk the supplier poses to the Bank.

Formalizing ongoing monitoring allows the Bank to properly monitor Supplier performance and remediate any issues that arise during the relationship. Suppliers may be required to perform, provide and/or participate in the following monitoring activities:

- Validate performance reporting and scorecards to the Bank
- Periodic on-site reviews of the Supplier's control environment
- Regular meetings to discuss performance, new opportunities, action plans, change management, etc.
- Participate in call monitoring and/or call calibration sessions, if customer contact is applicable in the provided service
- Track customer complaints and submit monthly reporting in accordance with the Bank's requirements
- Suppliers may also be required to submit policies, procedures and other documentation demonstrating that the Supplier's control environment meets Bank standards and regulatory requirements

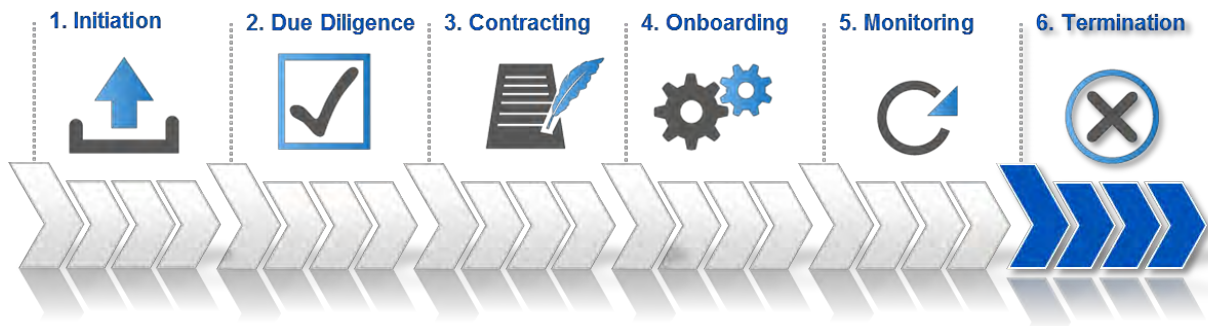


Figure 1.8 Termination Phase of the supplier lifecycle



### Supplier Lifecycle | Termination

Unfortunately, there are events that at times may cause one or both parties to terminate the relationship. If this is required, the Bank will proceed in a professional manner, in accordance with the terms of our contract. We will strive to communicate clearly and hope to conduct all required termination activities in an orderly fashion.





## Foundational Elements

There is a variety of additional information, tools and resources located in the following sections. We hope this Handbook will help to make your Onboarding experience simple and straightforward. Please feel free to reach out to us to provide additional feedback. We are working to improve in this area and look forward to partnering with you to be the **Bank People Most Value and Trust**.

## Supplier Diversity

**We view supplier diversity and inclusion as critical components of our core growth strategy.** Executive leadership understands that strong affiliations with minority-owned, women-owned, veteran-owned and other diverse organizations help us build and expand our business. Enhanced tools and systems, including those provided by the 53Connect supplier management system, further support our diversity and inclusion objectives.

In line with expanding opportunities for diverse suppliers, Fifth Third will continue to invest in processes, procedures and tools, to ensure the Bank’s success in meeting its supplier diversity practices and objectives for future years.

If your business is not a certified diverse supplier, the following National Organizations can assist with the certification process:

<b>National Minority Supplier Development Council (NMSDC)</b>	<a href="http://nmsdc.org">nmsdc.org</a>
<b>Women’s Business Enterprise National Council (WBENC)</b>	<a href="http://wbenc.org">wbenc.org</a>
<b>Veteran’s Affairs Office</b>	<a href="http://va.gov">va.gov</a>
<b>Small Business Administration</b>	<a href="http://sba.gov">sba.gov</a>

## Equal Opportunity Employer

Fifth Third is a federal contractor and is therefore subject to regulations governing commitments to Equal Employment Opportunity (EEO) and Affirmative Action under the requirements of 41 C.F.R. §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a), as well as the posting requirements of 29 C.F.R. Part 471, appendix A to subpart A.

## Notifications

### Prompt Notices Required:

In addition to any notifications required in any Agreement with the Bank, all Vendors are expected to promptly (and in any event within 48 hours following) notify Bank of any:

- Service Interruption and other catastrophic events, including any Force Majeure Event, data breach or event requiring the implementation of Vendor’s Disaster Recovery Plan;
- Compliance lapses, and enforcement or other actual or threatened regulatory, civil or criminal actions;
- Financial difficulty and/or significant business changes, such as mergers, acquisitions, joint ventures, divestitures, or other business activities that may affect the Services described in the SOW; or

- Any Virus introduced into any Vendor or Vendor Personnel computer system or into any Bank software or other technology

### **Notice of Nonperformance:**

In addition to other notifications required in any Agreement with the Bank, all Vendors are expected to promptly notify Bank if Vendor becomes aware of:

- any failure by Vendor or any Vendor Personnel to comply with its obligations under this Agreement or
- any other situation that (1) has impacted or reasonably could impact the maintenance of Bank's financial integrity or internal controls, the accuracy of Bank's financial, accounting or human resources records and reports or compliance with Bank standards, or (2) that has had or reasonably could have any other material adverse impact on Vendor's performance or the business operations of Bank.

Vendor shall describe for the Bank the impact or expected impact of the foregoing and promptly respond to Bank requests for additional information regarding the foregoing.

### **Notice of Action:**

Vendors shall promptly notify the Bank of any litigation, Governmental Authority action, or formal complaint brought against Vendor or Vendor Personnel related to the performance of services or delivery of products delivered to or on behalf of the Bank, or similar to the Services described in any agreement with the Bank.

Notices should be sent to the Vendor's Fifth Third Contact, and to other person(s) or group(s) outlined in any agreement with the Bank, and with copy to [53Connect@53.com](mailto:53Connect@53.com)

### **Customer Complaints**

Financial Institutions, such as Fifth Third Bank, are required to maintain a compliance risk management system with clearly defined controls to mitigate the risk associated with the use of vendors. We are required to holistically understand customer complaints, whether they are received directly by Fifth Third, or indirectly by our vendors. We are responsible for ensuring that consistent quality is provided to all customers, regardless of whether the product or service they receive is delivered by Fifth Third or a third party.

In order for Fifth Third to manage customer and regulatory expectations regarding our products and services, data collection related to customer complaints is required. As one of our vendors, you may receive customer complaints that communicate dissatisfaction with the Fifth Third product or service that you provide. It is important that Fifth Third is made aware of the concerns and complaints of all of our customers, including those customers that interact directly with our vendors.

In order to meet and exceed these customer and regulatory expectations, we request that you provide us with any customer complaints related to a Fifth Third product or service. A complaint is



defined as: “Any written or escalated verbal communication stating that something is unfair, unsatisfactory, unacceptable or that the consumer is dissatisfied in regard to product, service, location or personnel.”

If the service you provide has the potential to result in complaints, after contract execution you will receive a document that outlines the specific data collection request related to Fifth Third customer complaints, as well as detailed delivery instructions. This data collection will allow Fifth Third to monitor trends that may indicate that a particular service or product requires further assessment to determine whether it contains features that should be enhanced or revised. We look forward to working with you to ensure that customer service and support expectations are at the forefront of our continued relationship.



## Philanthropic Initiatives

Dear Valued Partner,

As you may already be aware, Fifth Third Bank's mission is to be the One Bank that people most value and trust. In order to achieve that goal, we strive to put our customers at the center of everything that we do. This is evidenced in the products we offer, the value we provide, and the way we operate within the communities that we serve.

As good stewards of the community, Fifth Third partners with various philanthropic organizations to lead one or two major initiatives each year that raise funds for those organizations. The Bank may reach out to your company to ask for your financial support for these initiatives to help the communities in which we do business. Your support of these initiatives is greatly appreciated by the Bank, our customers, and our communities. Additionally, to ensure consolidation of requests made, only individuals within the Sourcing organization or at the C-Suite level will be reaching out on behalf of the Bank.

Fifth Third understands, however, that like us, your company may already participate in philanthropic endeavors that align with your company's values. As such, you may elect not to participate in our annual initiative(s). Declining to participate will not impact any current or future business opportunities with the Bank.

Thank you for your continued partnership for helping us build stronger communities!

Sincerely,

Teresa J. Tanner  
Chief Administrative Officer  
Executive Vice President