



Innotech Group Supplier Score Card

PPM (Quality)	20
PPAP Timeliness	10
4D/8D timeliness	10
DMR Performance	25
Quality Registration	5
SPR	5
Cost Reductions	<u>25</u>
Total	100

PPM	
0	20
>0-5	19
6-10	18
11-20	17
21-40	16
41-60	15
60-80	14
81-100	13
101-125	12
126-150	11
151-175	10
176-200	9
201-250	8
251-300	7
301-400	6
401-500	5
501-600	4
601-700	3
701-800	2
801-900	1
901-1000	0

PPAP Timeliness (%)	
100	10
99 to 95	9
94 to 90	8
89 to 85	7
84 to 80	6
79 to 75	5
74 to 70	4
69 to 65	3
64 to 60	2
59 to 55	1
<54	0

Cost Reduction (%)	
> 4.00	25
3.99 to 3.75	23
3.74 to 3.5	21
3.49 to 3.25	19
3.24 to 3.0	17
2.99 to 2.75	15
2.74 to 2.5	13
2.49 to 2.25	11
2.24 to 2.0	9
1.99 to 1.5	7
1.49 to 1.25	5
1.24 to 1.00	3
.99 to .50	1
<.49	0

Quality Registration	
TS 16949:2002	5
QS 9000	5
ISO 9000:2001	2
NONE	0

SPR	
0	5
1	3
2	1
> 3	0

4D/8D Timeliness (%)	
100	10
99 to 95	9
94 to 90	8
89 to 85	7
84 to 80	6
79 to 75	5
74 to 70	4
69 to 65	3
64 to 60	2
59 to 55	1
<54	0

Delivery (%)	
100	25
99 to 97	22
96 to 94	19
93 to 91	16
90 to 88	13
87 to 85	10
84 to 82	7
81 to 79	4
78 to 76	1
<75	0

Calculating 4D/8D Performance:

Performance is a function of both Timing and Effectiveness

4D/8D Timeliness is scored as a percentage based on data calculated by the Innotec system. The score is calculated by dividing the number of 4D/8Ds received on-time divided by the number due X 100. (I.E. 9 received on time of the 10 due = 90%).

4D/8D Effectiveness will affect the scoring of 8D performance due to how well the problem solving of an issue is both working and communicated. Repeat issues are unacceptable and are proof that Containment is not effective and warrant a 1 point reduction in final 4D/8d Scoring per occurrence! 8Ds needing to be returned for poor content (lack of problem solving effort evident or continual return for same 8D content issues) are subject to review for overall point reduction in 8D scoring.

Note: The Innotecgroup is committed to all of our suppliers and will do everything to treat fairly and as partners to achieve our Customers success. This includes working with all suppliers to help in the problem solving effort, but commitment and effort for Zero Defects MUST be evident throughout all supplied service, especially in correcting issues of substandard part delivery (or any other issue whereby an 8D is requested)!

Calculating Delivery Performance:

A perfect order is defined as a shipment which meets all of the following:

- On-time To the buyer's requested delivery window
- Shipment quantity matches the release
- Shipment is not damaged in transit
- All documentation is correct
- Invoiced correctly

The scoring for the Delivery section is calculated by subtracting the number of "Defective" shipments from the total number of shipments and dividing by the total number of shipments.

Example: For Supplier (A) in one year:

1200	Orders were processed
13	DMR's were filed (Total Defective Orders)
4	Damaged
3	Incomplete
5	Late
1	Invoiced incorrectly

The percentage of perfect orders in the example above is $(1200-13) / 1200 = 98.9\%$ perfect orders.

- * Repetitive errors or chronic problems with information accuracy may result in a SPR meeting.
- * If supplier's response is not obtained within the acceptable timeframe, Innotec will consider the DMR acknowledged and count two occurrences against the supplier's DMR occurrence rating.
- * If the supplier accepts the DMR by returning a signed copy the material scheduler will acknowledge the DMR and the DMR will go against the supplier DMR occurrence score.

Calculating SPR Performance:

SPR (Supplier Performance Review) meetings are held to analyze and review the current problem situation (quality, delivery, and/or other performance issues).

The SPR score is based on the number of SPR requests a supplier receives. Each SPR request results in point loss from the SPR score. The first and second SPR requests each result in 2 points deducted from the SPR score. Any additional SPR requests result in a loss of all five points from the SPR section of the score card. Additionally after 3 SPR's in a one year period, a supplier is at risk of being desourced.

Example: A supplier over the course of 1 year receives 4 SPR requests.

<u>SPR Requests by Innotec</u>	<u>SPR Score on Score Card</u>
1st	3
2nd	1
3rd	0
4th	0

Calculating PPAP Performance:

The production part approval process (PPAP) will be requested using a supplier Submission Request Form (SSRF) via email or fax. A supplier will be responsible to submit the information according to the Third edition of the AIAG PPAP manual, also outline in the Innotec Group Supplier PPAP checklist. If the information submitted does not meet the PPAP requirements, there will be a one point penalty for each PPAP returned for incompleteness. Otherwise the score is as follows:

$$\frac{\text{Number of PPAPs received on time}}{\text{Number of PPAPs requested}} = \text{Percentage on-time PPAP}$$

If a supplier is unable to hit the timeliness contact the originator of the SSRF for a possible extension.

Calculating PPM Performance:

PPM Definition:

Product received into our facility which does not conform to the drawing, specifications, and agreed standards will be counted against supplier’s PPM record. PPM will be reported to supplier monthly in the quantity units as purchased. (i.e.) ft., lbs, or ea. PPM will be issued to product after PPAP approval or after set standards have been agreed upon by Innotec Group and Supplier through a written deviation.

PPM Calculation:

$$\frac{\text{Number of defective parts}}{\text{Number of parts shipped}} \times 1,000,000 = \text{PPM}$$

The following will be counted as PPM:

- Parts which are dimensionally inaccurate
- Parts which do not function as spelled out on drawings
- Parts which do not pass color or aesthetic standards as spelled out in PPAP, boundary samples, etc.
- Parts which do not meet the drawing specifications and cannot be used in our process.

The following are situations which PPM will be determined by affected cells:

- Parts which are not useable but meet all drawing specifications.
- Parts for which there is not released drawing
- Parts which have not been released and approved for production.
- Parts which meet drawing specifications, but were rejected by our customer.

Innotec Group retains the right to issue SPR to Supplier for instances which may **not** result in PPM; this is determined by the affected cell.

- If the supplier identifies, communicates and takes appropriate containment action for a potential problem before the problem is identified at any Innotec Group facility then parts will not be counted against PPM, provided the line has not shut down. If the problem is identified at an Innotec Group facility prior to contact from the supplier, then PPM will be counted.
- Supplier’s ability to sort product at Innotec Group facilities is to be determined by the affected cell.
- If supplier sorts at an Innotec Group facility and finds bad product over and above that which was found by Innotec Group, these bad parts must be reported. Whether or not PPM is to be given will be determined by affected cell.

Calculating Cost Reduction %:

Cost Reduction Definition:

A cost reduction is an actual implemented saving from a supplier and can be generated through changes in materials, packaging, logistics, process redesign, or VA/VE. A pieceprice reduction will be reflected on the scorecard for 12 months. These should be presented to the affected Innotec cells in a written document (hard copy or email). Once this is done the actual cost reduction for parts purchased by Innotec will be reflected on the scorecard.

Cost Reduction Calculation:

The % for cost reduction would be calculated on an annual basis by

$$\frac{(\text{pieceprice change}) \times (\# \text{ parts shipped under pieceprice change}) + (\text{any one time cost reductions})}{(\text{Baseline pieceprice} \times \text{cumulative parts shipped in year})}$$