

TO ALL SUPPLIERS

Velbert, April 2021

Our Supplier Evaluation

The supplier evaluation is being sent to you quarterly to the email address of your sales contact person.

Should you supply more than one WITTE plant you will receive one evaluation per plant.

1. Delivery Performance (time and quantity keeping):

Your delivery reliability is presented to you in the form of the 'Delivery Performance' indicator which consists of the 'quantity reliability' and the 'deadlines reliability'.

Quantity reliability: The evaluation is effected depending on the percentile deviation from the stipulated quantity. Examples: An under / over-delivery of 10% will be evaluated with 90%; an under / over-delivery of 90% will be evaluated with 10%.

Deadlines reliability: It is assessed if you are delivering on time.

Both indicators are included with equal weight in the overall 'Delivery Performance'.

The described evaluation is carried out for every single delivery.

Generally speaking: The higher the percentage the better your result. A percentage of 100 % would equal a perfect delivery reliability. The following classification applies:

Delivery Performance of up to 95 %	A Evaluation
Delivery Performance of up to 85 %	B Evaluation
Delivery Performance < 85 %	C Evaluation

Scheduling Agreements / Call-offs (tolerance day for LAB/FAB utilization):

If your demands are passed on to you by a delivery schedule you are not to be punished for short notice fluctuations in demand. Therefore, for every supplier a time span is maintained in our system (current date minus a number of X work days), in which all call-offs sent to the suppliers are evaluated simultaneously. The call-off which will give the best result for the supplier will finally be taken for the evaluation. Please turn to your purchaser for the number of work days stored under your supplier number.

Additionally, all open quantities without goods receipt are classified as **backlog** which is also evaluated according to the above scheme.

N.B.: Parts classified as backlog must be immediately delivered without regard of the agreed delivery day(s)!

Concerning the measures to be taken please refer to 'Measures'!

2. Number of Complaints / Missing Written Comments

Moreover we convey to you the number of Complaints you caused and as a subtotal of these the number of Missing Written Comments to these Complaints. Should there be no entry, you have not caused any Complaint in the time span selected. Individual target values can be agreed with the supplier.

Concerning the measures to be taken please refer to 'Measures'!

3. Quality:

This comprises the usual ppm evaluation (parts per million)

The classification remains just as before:

0 ppm	The result complies with our quality requirements
up to 20 ppm	The result complies with our quality requirements with slight deviations, which are acceptable
> 20 ppm	The result does not comply with our quality requirements

Concerning the measures to be taken please refer to 'Measures'!

Example of a supplier evaluation:

WITTE Nejedek spol. s r.o. - Rooseveltova 1299 - CZ-36221 Nejedek			
Supplier Evaluation			
Area Einkauf WITTE-Gruppe			
Supplier : 3000 Page 1 / 4			
Evaluation period	01.01.2019 - 31.03.2019		
Result	Dely.perform. : 89,6 A 1. Delivery Performance Qty. reliab. : 99,6 Deadl. reliab. : 78,3		

Evaluation: Deadline / Quantity

Material	Text	Number	Quantity reliab. in %	Deadline reliab. in %	Delivery perfo. in %
	Haltering	1	100,0	0,0	50,0
	Achse	1	100,0	100,0	100,0
	Gehaeuse	1	100,0	100,0	100,0
	Dichtung (Hebel)	2	100,0	100,0	100,0
	Gehäuse rechts	2	100,0	100,0	100,0

Evaluation: Service **2. Number of complaints / Missing written comments**

Service area	Number	Number of open statements
number of claims	6	6

Evaluation: PPM (incorrect parts) **3. Quality**

Total units	ST	2.877.900
Units defective	ST	0
PPM - Key figure	ST	0

Total units	2.877.900
Units defective	0
PPM - Key figure	0

Material	Text	Total	Incorr.	PPM
	Haltering	150	0	0
	Achse	1.000	0	0
	Gehaeuse	1.000	0	0
	Dichtung (Hebel)	700	0	0
	Gehäuse rechts	500	0	0

Starting at the top you can see the overall 'Delivery Performance' for the evaluated time span. This overall figure presented at the top is based on the incoming goods receipts and is therefore **receipt-based**. Consequently, the calculation is being weighted with the corresponding number of incoming goods receipts (see 'Number'). Please consider this if you should wish to strike an average across the single part results and compare this to the overall figure!

Below this the results for the single parts are presented (**part-based**) along with the number of evaluated receipts (goods receipts or backlog). In case of slight deviations in the formula 'Quantity reliability + Deadline reliability = Delivery performance' these are due to the fact that multiple deliveries within a day are being smoothed into one receipt.

Should you have caused us any problems during the last quarter you find underneath the number of Complaints and Missing Written Comments to these.

This is followed by the ppm evaluation (Quality): Firstly, the whole evaluated quantity is shown and it is important to note, that the date of the goods receipt is always taken as a reference. Underneath you find the number of defective parts and eventually the ppm index.

Just as for the delivery reliability, the results for the single parts are specified below.

Should you encounter technical problems please contact:

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Kind regards,

WITTE Automotive

Purchasing - SRM