

Dear Supplier,

Starting Q4 2015 Trust Automation will begin to assess and evaluate the performance offered by its material suppliers monthly. Q3 evaluations are samples and notification of the current status assessed. There is no action required by you as the supplier at this time. The following criteria will be evaluated.

- Delivery Performance
- Quality Performance

As a Trust Automation supplier you will be provided a supplier report card on a monthly basis. Trust Automation will internally evaluate supplier scores on a quarterly basis in accordance to the following criteria.

- Supplier must maintain an 80% or higher Quality rating. As measured by number of non-conformances and supplier corrective action requests compared to total receipts.
- Supplier must maintain a 90% or higher on time delivery performance rating. Rating will be reduced one point when a shipment is more than 2 working days past the requested delivery date with an additional reduction when a shipment is more than 14 working days late.

Inability to maintain the required Quality and on time delivery performance rating will result in the following actions.

- 1<sup>st</sup> quarter- evidence shall be recorded of the Material's Department working with the supplier to resolve any issues.
- 2<sup>nd</sup> quarter- evidence shall be recorded of the Quality Department assisting with direct communication with the supplier to resolve any issues. This may also consist of a Quality audit to occur if necessary.
- 3<sup>rd</sup> quarter- The supplier will be notified that their rating must meet or exceed the acceptable levels before the next quarterly review. Failure to raise rating may result in disqualification as an approved Trust Automation supplier.
- 4<sup>th</sup> quarter- Supplier is subject to disqualification pending Management Review and re-evaluation.

Thank you for your continued support as a Trust Automation supplier. If you have any questions or regards you may contact Trust Automation Materials department or Quality Assurance.