Quality Plus +
Addendum to IATF16949

Introduction

Telamon Corporation (hereafter referred to as "*Telamon*") Purchasing group is the supplier's first line of communication and permission granting authority whenever components or services are contracted and are provided to *Telamon*. *Telamon* Purchasing coordinates supplier information and provides the appropriate *Telamon* support activity to the supplier, while relying upon the supplier's expertise with regard to manufacturing and quality of the product.

The Supplier Quality Activity (SQA) within *Telamon*, Purchasing and Quality Assurance; administers the supplier quality requirements and is the supplier's primary source for product quality related issues.

Suppliers are expected to meet the requirements of ISO-9000:2015 or ISO/IATF16949:2016 (hereafter referred to as "ISO-9000" and "IATF16949"), and the requirements stated herein. These requirements are in addition to, and do not replace or supersede any of the purchase order, engineering drawing or specification requirements, or relieve the supplier of exercising independent expertise and skill in providing products and services to *Telamon*.

While various *Telamon* activities will assist in establishing quality requirements and improving quality, the **responsibility for supplier quality remains with the supplier**.

Purpose

This quality requirement addendum is intended to communicate uniform quality requirements which *Telamon* expects of all suppliers. It provides general instruction and outlines procedures which are to be followed in order to become an **approved,** and ultimately, a **"Dock to Stock"** certified supplier.

Scope

This Quality Plus addendum to ISO-9000 and IATF16949, applies to all production intent products and services procured by *Telamon* whether in a raw or finished state. This program is a *Telamon* specific requirement, not outlined in the ISO-9000 or IATF16949 standards.

It shall be the supplier's responsibility to implement and maintain a documented Quality System and any additional controls deemed necessary to ensure conforming product is supplied to *Telamon* as contracted.

Reference Documents

Quality System Requirements (ISO-9000 and IATF16949), AIAG Quality System Assessment (QSA), AIAG Advanced Product Quality Planning & Control Plan (APQP), AIAG Measurement Systems Analysis Manual (MSA), AIAG Statistical Process Control Manual (SPC), AIAG Potential Failure Mode and Effects Analysis (FMEA), AIAG Production Part Approval Process (PPAP).

Supplier Code of Conduct

Telamon conducts business within the framework of applicable country laws and regulations. We require our employees to act in accordance with the highest ethical and legal standards. We envision a world made better by our actions and choose to work with suppliers who share and demonstrate the same strong values and commit to the ethical principles outlined in this Supplier Code of Conduct.

Antitrust and Competition

Telamon expects suppliers to comply with all applicable antitrust laws, trade practice laws and any other laws, rules and regulations. Suppliers are expected not to enter into agreements with competitors, which may unfairly have impact on competition, including, but not limited to, price fixing or market allocations.

Anti-Bribery

Telamon expects suppliers to comply with all relevant anti-corruption, anti-kickback and anti-bribery laws and regulations. The use of corporate funds, property or other resources for any unlawful or improper purpose is prohibited. Anti-corruption laws require that companies meet prescribed accounting and internal control standards and impose severe penalties including, without limitation, criminal penalties, on both companies and individuals for certain types of payments and practices. Suppliers may not give, promise or authorize any payments, either directly or indirectly, to any private person (including, without limitation, any Telamon employee), government official, candidate for political office, or their relatives, or any political party and its agents or affiliates, which are intended to obtain new business, retain existing business or obtain any improper advantage.

Conflicts of Interest

Telamon expects suppliers to encourage their employees to disclose conflicts of interests, either actual or apparent, to their supervisor and Human Resources. Suppliers must disclose if a Telamon employee has actual or potential conflict of interest (including percentage of ownership).

Environment

Telamon believes that a sustainable future and the protection of our environment can only be achieved through the combined efforts of the industry, government and society at large. We are committed to environmental responsibility that leads to sustainability. To assure that our products and processes are environmentally sustainable, we expect suppliers to:

Comply with all environmental laws and regulations exceeding those minimums whenever possible.
Utilize business processes that enable waste prevention and promote the efficient use of resources
Ensure water discharges are minimized or eliminated and reduce water consumption
Implement policies to reduce greenhouse gas emissions
Obtain energy from renewable sources or lower impact resources wherever practical.

The supplier shall inform Telamon about potential energy saving opportunities.

Telamon requires that suppliers who manufacture components, parts, or products must commit to sourcing materials from environmentally and socially responsible sources only. Suppliers are expected to comply with local law regulation or and to implement Environmental Management System preferably based on ISO14001 so they can be certified accordingly.

Basic Working Conditions

Telamon expects suppliers and sub-suppliers to provide working conditions that comply with applicable country laws that support and uphold Telamon's ethics and values.

The use of child labor is prohibited; applicable laws and regulations regarding the minimum age for permission to work must be followed.
Suppliers are prohibited from using forced labor in any form and are further prohibited from abusive practices.

Suppliers must compensate their employees with wages and benefits that are in full compliance with applicable country laws regarding minimum wages, overtime hours, regulation of hours worked and legally mandated benefits.

Non-Discrimination and Non-Harassment

Telamon requires suppliers to not tolerate harassment and discrimination on any basis in accordance with applicable laws and regulations, including but not limited to: a person's age, race, color, religion, personal belief, sex (including pregnancy, gender identity, and sexual orientation), national origin, disability, genetic information, marital status, parental status or any other characteristic protected by law or otherwise irrelevant for the position. Telamon expects suppliers to apply this principle to all decisions related to hiring, promotion, recruitment or transfer, termination, benefits, rates of pay or other forms of compensation or benefits provided.

Freedom of Association and Collective Bargaining

Telamon requires suppliers to recognize and respect employees' freedom to join or not to join a labor union in accordance with local law. The rules of the various trade union organizations representing employees have to be recognized. Also the employee's right to be represented or not represented by trade unions or other representatives established in accordance with local legislation and practice have to be recognized.

Health and Safety

Telamon expects suppliers to operate in a reasonable manner to promote the health, safety and welfare of everyone on their property. Suppliers must ensure that policies and training which help individuals safeguard themselves and also protect surrounding property are in place to avoid accidents and prevent injuries. Our commitment to safe practices extends throughout our supply chain. All products and services provided by suppliers will be safe and reliable as well as in compliance with all applicable government statutes, regulations and standards relating to motor vehicle safety. OHSAS (Occupational Health and Safety Assessment Series) 18001 certification,

Occupational Health and Safety System Standard, is encouraged but not required.

Conflict Minerals

In compliance with requirements of its customers and the OEMs that Telamon supports, Telamon requires its suppliers to report if their products contain metals derived from certain minerals defined as “Conflict Minerals” as defined by the U.S. Securities and Exchange Commission. For this reason, suppliers shall conduct due diligence of their supply chains to determine if any of the products supplied to Telamon contain Conflict Minerals. Further requirements regarding Conflict Minerals are defined on our Website (Conflict Minerals Reporting Template (CMRT) and Cobalt Report Template (CRT)). Telamon uses the Responsible Minerals Initiative (RMI) report templates as our primary tool to collect and analyze information submitted by the suppliers. Telamon requires its suppliers to complete the CMRT and CRT annually.

REACH

Suppliers to Telamon companies in Europe must meet the requirements under the European Regulation on Chemicals, REACH. Communication through the supply chain is obligatory. For more information about REACH, see AIG, Automotive Industry Guideline on REACH, published on the ACEA website (http://www.acea.be/).

IMDS

All substances used in production part materials shall be declared electronically in IMDS (International Material Data System).

The IMDS declarations shall comply with the IMDS Recommendations published on the IMDS web site (http://www.mdsystem.com) and with the Telamon policy identified on the Purchase orders and Telamon’s website. (Substance Use Restrictions).

The supplier shall submit an approved IMDS declaration with the PPAP package. As a consequence, the supplier shall complete the IMDS entry in the IMDS database a reasonable time period before the agreed PPAP-submission-date. Only this procedure will give Telamon the opportunity to approve the IMDS-entry prior to the supplier's PPAP submission date. In case Telamon does not respond to the IMDS declaration before supplier's PPAP submission date, it is sufficient for the supplier to submit only the IMDS entry confirmation with the PPAP package. PPAP approval can only be done with an approved IMDS Declaration.

Materials, components and products containing substances classified as forbidden must not be used. Restricted substances must not be used for certain applications or projects and can be subject to sudden phase-out requirements.

Export Controls

Telamon expects supplier to comply with all applicable import and export control laws, including without limitation, sanctions, embargoes and other laws, regulations, government orders and policies controlling the transmission or shipment of goods and technology.

Data Protection, Confidential Information and Intellectual Property

Telamon expects suppliers to comply with all applicable laws concerning data protection. Business information or trade secrets gained by virtue of the business activities with Telamon is maintained confidential and will not be improperly used or disclosed to third parties. Suppliers are expected to ensure that Telamon Intellectual Property is secured in relation with others.

Regulatory and Statutory Compliance

Telamon Suppliers shall adhere to and pass down all applicable Statutory and Regulatory requirements to their suppliers in the entire supply chain.

The Supplier shall apply the legal requirements of the production locations and of the country of use, during the APQP phase to all products, processes, or services (Internal and External). This process shall be completed at the latest by the PPAP submittal to Telamon.

Suppliers are required to report non-compliance related with any of the aforementioned principles to their respective contact in Purchasing. In the event of non-conformity, Telamon reserves the right to early termination for cause of the business relationship with any supplier. Telamon shall require that suppliers implement an action plan to bring their performance into line. Telamon and suppliers will agree to jointly define the required remedies, if or when needed.

Product Safety

Telamon implements all organizationally and technically feasible measures to ensure the product safety of products in alignment with our Customers' vision of Saving More Lives. We request the same from our partners and sub-suppliers to minimize product liability risks. All products supplied to Telamon will be considered safety parts if intendent to be inherent part of vehicles.

The function Product Safety Representative shall ensure that the product safety is consistently and thoroughly managed throughout the development and manufacturing processes. The activities governed by this function intend to reduce the occurrence and shipping of defective components and thus protect Telamon, our customers and our partners.

Product Safety Representatives should be part of Suppliers' management team or directly reporting to management and have the authority to direct activities in all areas to ensure product safety, e.g. head of quality.

Suppliers' shall forward this requirement to its sub-suppliers if the supplied product is relevant to the component performance and has impact on CC/SC characteristics. Telamon does not require to report the Product Safety Representative of sub-suppliers but reserves the right to ask for the nominations during audits and other visits.

To ensure effectiveness Product Safety Representative and/or employees involved in those activities shall have knowledge of

- Product reliability legislation

- Risk assessment and related Core Tools
- Function of supplied product and its impact on Telamon product performance

Specific training for such function has been developed by OEM and is offered by VDA and other qualified organizations. You as our Supplier must be prepared to demonstrate training evidence.

Every direct Supplier to Telamon is requested to identify the nominated Product Safety Representative to Telamon Purchasing.

Supplier Quality System Requirements and Assessment

Suppliers are selected and approved by *Telamon* on a supplier manufacturing location by location basis (i.e., approval of one supplier facility does not constitute approval of any other facility).

Telamon recognizes the ISO-9000 or IATF16949 standards as the supplier's quality system requirement. *Telamon* requires suppliers to implement and maintain quality systems in conformance with one of the *two* standards.

If, at any time, a supplier's ISO-9000 or IATF16949 registration is allowed to expire, or is rescinded by the registrar, *Telamon* SQA must be notified within five (5) business days.

The ISO-9000 and IATF16949 standards and supplements are available directly from the AIAG.

Notification of Quality Concerns

Telamon requires suppliers to formally notify *Telamon* Purchasing and Quality Assurance of any quality concerns within 24 hours of discovery **without exception.**

This applies to all quality concerns identified by suppliers for which product shipped is suspect. If exposure has not been determined within 24 hours of discovery and product shipped to *Telamon* has not been proven to be void of the concern, notification is required.

Suppliers must present the concern in detail, the exposure of the concern (i.e., what lot number(s) is/are affected), and the containment and corrective action plan. Documentation is via the Non Conformance Report (**NCR**) (see Appendix 1).

Rework

Rework consists of any actions to the product that are not part of the basic production process. For certain commodities, unique terminology exists ("reformulation" for chemical processes, "repair" for electronics) which describes synonymous concepts to rework. Since any action to salvage a product which does not originally meet customer requirements is both a source of variation and inherently costly, *Telamon*'s goal is to eliminate such actions.

When rework is necessary as an isolated measure, the supplier must develop written procedures. These procedures must provide for additional inspection and testing after rework to ensure conformance to *Telamon* specifications prior to shipment or further processing.

In all cases, rework must be approved in advance using a *Telamon* Request for Engineering Change/Deviation form. The form must be submitted with all rework procedures, control plans and technical justifications.

For certain commodities (i.e., electronics assembly) where on-line repair is part of the manufacturing process, disposition of such activities will be made by *Telamon* SQA as part of the PPAP process. As such, all PPAP documentation must reflect on-line repair procedures and controls.

Returned Product Analysis

The supplier is required to analyze all nonconforming product returned from *Telamon,* its customers, engineering tests and vehicles in the field when supplied components are suspect or defective. Records of the results of these analyses must be submitted to *Telamon* upon completion. Only the actual number defective will affect the supplier's PPM rating.

Supplier Control of Subcontractors

I. Suppliers to *Telamon* shall select subcontractors on the basis of their ability to meet subcontract requirements, including *Telamon* quality requirements defined herein.

II. The *Telamon* supplier shall subcontract business with ISO-9000 and IATF16949 registered suppliers.

III. The *Telamon* supplier shall ensure that subcontractor quality system controls are effective and meet *Telamon* **Quality Plus** requirements. The supplier must be prepared to show documented evidence of subcontractor quality levels at the request of *Telamon*, and also provide *Telamon* access to subcontractor facilities and records if requested at any time.

IV. The *Telamon* supplier is fully responsible for the quality and merchantability of goods and/or services subcontracted. *Telamon's* recommendation or stipulation of a subcontractor shall in no way relieve the *Telamon* supplier of full responsibility for ensuring such subcontractor meets all *Telamon* requirements.

Product Status and Traceability

The supplier systems must ensure that all critical and significant characteristics as indicated on Telamon drawings and specifications are traceable and recorded from the lot/batch number of the delivered part to the raw material(s) lot(s)/batch(s) from the sub supplier. This is also applicable for all process parameters affecting such characteristics and raw material certificates or analyses.

Suppliers to Telamon serial production and prototype lot sizes shall not exceed 24 hours of production.

All records shall be provided to Telamon immediately, without delay upon request.

The identification of inspection and test status for products shall be maintained at each stage of production. The traceability level of Telamon parts is specified according to Telamon packaging and Traceability Standards.

APQP

Telamon recognizes the AIAG APQP requirements. The *Telamon* supplier shall conform to the process outlined in the AIAG APQP manual. The APQP process is required for all product and process development, including new product and process launches, product and process modification or change in or an additional manufacturing location is being added.

PPAP

Telamon recognizes the AIAG PPAP requirements. The *Telamon* supplier shall conform to the process outlined in the AIAG PPAP manual. Supplier PPAP due dates will be communicated through the *Telamon* Purchase Order given for the PPAP samples. *Telamon* requires all suppliers to submit sample product(s) with all PPAP's. This requirement may be waived by *Telamon* SQA. After the PPAP documents have been submitted, *Telamon* reviews the data/documents and either Approves, Rejects or gives Interim Approval to the supplier. Interim Approval will be given for a specific length of time. The time period and reason for the Interim Approval will be determined by the *Telamon* SQA and will be communicated to the supplier in a timely manner. Upon expiration of the Interim Approval the supplier must refrain shipping any remaining product until an extension is granted or full Approval

is given. Suppliers must receive written PPAP approval from *Telamon* SQA prior to shipping any product produced.

An Annual Product Validation PPAP may be required and is at the discretion of the *Telamon* SQA.

Safe Launch Plan (SLP)

Telamon requires suppliers to develop and implement an SLP for all new and changed products and process launches. The SLP is intended to provide *Telamon*, as well as *Telamon* customer's protection from product non-conformances during the launch of a project. *Telamon* expects the supplier to identify any increased risk for new parts and implement the SLP accordingly.

Process Changes

Telamon encourages process improvements to enhance quality and reduce cost. However, **any changes in process (as defined below) require *Telamon* approval prior to implementation at the supplier location.**

The first step in gaining approval is to contact *Telamon* SQA and submit a change proposal, via the Engineering Change/Deviation form; describing the proposed change and, the proposed PPAP plan for validation and approval of the change. This plan shall include a timing chart detailing phase in/out and associated tasks and timing to prevent supply shortages. This proposal will be reviewed by

Telamon Purchasing, SQA and Engineering. Approval to proceed with the validation process will be given, or additional validation requirements will be discussed and agreed to by the parties.

The next step is to successfully complete the validation process as agreed and submit a PPAP package to *Telamon* SQA. In certain cases, *Telamon* may require product testing and/or be required to gain approval from the customer(s).

Once this process is completed to *Telamon* 's requirements, the PPAP will be approved and the supplier may begin production incorporating the change.

“Process Change" Defined:

I. Use of another optional construction or material than was used in the PPAP approved part.

II. Production from new or modified tools (except perishable tools), dies, molds, patterns, etc., including additional or replacement tooling. General tool maintenance/preventive maintenance is not to be considered a process change, but shall be controlled and validated by the supplier to prevent non conforming product from being produced.

III. Production following refurbishment of existing tooling or equipment.

IV. Production following any change in process or method of manufacture, including process controls, from the originally PPAP approved.

V. Production from tooling and equipment transferred to a different plant location or from an additional plant location. In addition, production from tooling relocated or rearranged within an existing plant location.

VI. Change of source for subcontracted parts, materials or services (i.e., heat treating, plating, etc.).

***Important Note**:*

Suppliers must receive written PPAP approval from *Telamon* SQA prior to shipping product produced incorporating a change as defined above. When there is doubt regarding approval requirements of a change, contact *Telamon* SQA for assistance.

Failure to obtain change approval in advance of shipment will result in product rejection and financial liability for any affected *Telamon* raw, work-in-process and finished goods inventory.

Request for Engineering Change or Deviation

Telamon requires suppliers to ship product, which conforms to 100% of the engineering drawing requirements and referenced specifications. Additionally, *Telamon* requires that the manufacturing process to remain consistent with that utilized to produce the PPAP approved product. If, at any time, a supplier wishes to produce and ship product which does not conform to *Telamon’s* drawings and referenced specifications, or is produced from a "changed" process, *Telamon* approval is

required in advance of shipment via the Request for Engineering Change/Deviation form (see appendix). Verbal direction, discussions and/or approvals from *Telamon* are not valid without a fully approved Request for Engineering Change/Deviation form.

Important Note:

The supplier shall complete the Request for Engineering Change/Deviation form as indicated in Appendix and forward it to *Telamon* SQA for processing. Sufficient detail, supporting data, Corrective actions, etc. shall be included to facilitate the approval process. The supplier may be requested to submit additional information prior to approval, as determined by the approving parties at *Telamon*.

Submission of a Request for Engineering Change/Deviation form does not constitute approval to ship. **Receipt of a fully signed and numbered Request for Engineering Change/Deviation form and a signed Warrant is approval to ship.**

The lack of approval is not an acceptable excuse for failing to meet *Telamon* shipment releases. If the approval may affect the supplier's ability to ship product on time per *Telamon* releases, the issue must immediately be brought to the attention of *Telamon* Quality, Purchasing, and Material Control.

Corrective Action

It is a requirement of ISO-9000 and IATF16949; that suppliers maintain a system for corrective action of quality concerns. This system must include a multi-disciplined problem solving methodology (i.e., 5 phase, 8D, etc.) and follow-up of corrective action implementation and effectiveness. Suppliers shall

perform a look across to identify similar produced product in which the corrective action should also be implemented. A recommended problem solving format is included (see Appendix).

The supplier shall update and submit PPAP related documentation (i.e., Control Plan, PFMEA, Work Instructions, etc.) if a production process is altered as the result of a corrective action. Furthermore if product design or a manufacturing process change is required the supplier shall also complete the Request for Engineering Change/Deviation form. In some case, the supplier may be required to submit an updated Level 3 PPAP. The Level of documentation required will be at the discretion of *Telamon* SQA.

Any supplier quality issues detected at *Telamon*, and *Telamon* customer locations, will be formally directed to the appropriate supplier contact via our NCR (Non Conformance Report) program. The required supplier response is as follows:

Within 24hrs of Notification:

Initial response due to *Telamon* SQA detailing the following:

Containment actions (at supplier and *Telamon*) (see Note 1) Suspect inventory, lot numbers, etc. and Return Authorization Number.

Within 5 Business Days of Notification:

Completed corrective action plan due to *Telamon* SQA detailing the following:

Initial response information, Root Cause and Permanent Corrective Action(s) taken with completion dates (see Note 2).

Within 21 Business Days of Notificatiion:

Verification of Permanent Corrective Action(s) taken (Note 2), Recurrence Prevention Plan (see Note 2 & Note 3).

Note 1 - Defect containment by the supplier at *Telamon* locations is expected within 24 hours (i.e., on-site sorting) when required. This is to be coordinated with *Telamon* Quality

Assurance. Any and all sort/rework activities conducted by *Telamon* in order to meet production schedules will be charged to the Supplier at a minimum rate of **$25.00** per man hour. (These charges will be discussed with the Supplier' and may include Telamon Customer charges where applicable.)

Supplier quality ratings are computed by returned parts per million/shipped ratios. Suppliers who do not support on-site containment will be subjected to the full lot quantity returned, as opposed to the actual number of defects, in the computation of the PPM rating.

Note 2 - Any issues, which make on site sorting impractical may be discussed with *Telamon* SQA and alternate actions taken. Replacement material requirements are to be coordinated with the Material Control department.

All certified material must be identified by a mutually agreed upon method on/by each shipping label on each carton. This must continue until permanent corrective action has been implemented and approved by *Telamon* SQA.

Note 3 - If it is not possible to implement and verify permanent corrective actions within ten (10) business days, *Telamon* SQA must receive, by this date, the supplier's plan to permanently resolve the issue with all associated task completion dates and responsible

persons documented. Completed corrective action plans, with actual task completion dates, must be submitted to *Telamon* SQA as agreed between the supplier and SQA.

Telamon SQA will review and approve closure of all "NCR's". *Telamon* SQA reserves the right to require additional controls be implemented and/or additional documentation be provided to resolve supplier quality issues.

For suppliers with chronic or repetitive quality issues, a **$500.00** per occurrence fee will be assessed automatically. *Telamon* SQA reserves the right to impose additional containment measures (at supplier expense) to ensure conforming product is received at *Telamon*:

Level 1 Containment:

The supplier is required to perform a 100% certification of all products prior to shipment through an additional, off-line inspection process. This measure would be in addition to any existing controls and containment measures previously implemented. This level is imposed on suppliers who have failed to contain or correct quality issues through the NCR program.

Level 2 Containment:

The supplier is required to subcontract with a product certification contractor to independently 100% certify all products prior to shipment to *Telamon* . This level is imposed on suppliers who fail to contain or correct quality issues through the Level 1 Containment program.

Suppliers that are required to implement either Level 1 or 2 Containment will be notified by *Telamon* SQA. These additional containment measures are intended to be interim steps to ensure conforming product is shipped to *Telamon*. All sorting and containment data must be communicated to *Telamon* as these activities are in process. Permanent actions to prevent recurrence are expected to be implemented in conjunction with these containment programs. Once permanent actions are implemented and verified effective through data collection, containment may cease with the approval of *Telamon* SQA.

In addition, *Telamon* reserves the right to notify third party ISO/IATF16949 registrars of quality system failure if open quality issues are not resolved by this time. The supplier will be notified prior to this action being taken and sufficient time will be allowed to resolve all issues in advance of registrar notification.

Supplier Development Program

The Supplier Quality Development Program is intended to heighten the awareness of *Telamon*'s supply base to quality performance. Additionally, to focus the quality improvement efforts of *Telamon*'s suppliers toward a shared objective with the company.

A specific criterion for supplier selection purposely does not exist to allow *Telamon* management the flexibility to address issues, which have the greatest impact on the organization. The following guidelines do apply:

- Highest monthly DPPM
- Chronic monthly DPPM activity
- Negatively trending DPPM activity
- Quality spills causing significant impact to the production operations and/ or *Telamon's* customers.

Telamon Quality Assurance will initiate development meetings at *Telamon* or the suppliers' location for suppliers with significant quality issues, chronic quality issues or negatively trending quality performance. At these meetings, suppliers will be required to present corrective action plans to *Telamon* QA, Purchasing and Engineering. The presence of a Quality Manager, Plant Manager, and in extreme cases, the President, will be required at these meetings.

Quality Plus +

Addendum to IATF16949

A supplier rating system is in place to monitor and identify Suppliers' that may require additional improvements and or supplier development activities. The system is mitigated over specific criteria for Quality, Costs, and Delivery performance.

While still following and reporting Supplier DPPM, the goal is to reduce impact to Telamon and our Customers' facilities. The majority of the scoring system is Quality Event based.

Events are describe below as part of the scorecards.

A – Events automatically score the Supplier Red. One or more A incidents will score Red.
B – Events depict SC/CC items and or repeat issues.
C – Events that affect Receiving Inspections or line.

Score Card KPI's								
Monthly Criteria					Max Points	Monthly Score		
# of Quality Incidents	A-Major	n/a	n/a	≥1	40	40	15	0
	B-Medium	n/a	1	>1				
	C-Minor	≤2	3	>3				
DPPM		<25	25-100	>100	10	10	5	0
OTD		≥98%	95-97%	<95%	30	30	15	0
Lead Time (in wks)		1 Week	2 Weeks	3+ Weeks	5	5	3	0
Productivity		>3%	1-3%	<1%	10	10	5	0
Customer Support		≤1	2	≥3	5	5	3	0

Criteria Definition		
# of Quality Incidents	A-Major	Customer Disruption, Internal Line Shutdown, Repeat "B" Occurence
	B-Medium	SC/CC Violation, Supplier Sort at Plant, Repeat "C" Occurrence
	C-Minor	Disruption, Incoming Insp Violation
DPPM		Total Pcs Rejects / Total Pcs Received x 1M
OTD		# of On-Time Shipments / # of Total Shipments
Lead Time		Based on Material Release LT (frozen window LT)
Productivity		Total Savings / Total Spend
Customer Support		RFQ, PPAP, Quality &/or Comm'l Corr Act Resp **(repetitive issues auto RED)**

Supplier Audits:

With reference to IATF16949:2015 clause 9.2 Internal Audit Programme Telamon requires Suppliers to perform annually one process audit according to CQI-19 Supplier Management Process Guidline – Process audit.
Suppliers shall plan the annual assessment in production processes based on risk assessment including, at a minimum, following criteria

- Process has caused high number of NCR's for Telamon
- New established process for Telamon
- High production volume for Telamon

The report of the self-assessment shall be retained by Suppliers' and provided to Telamon upon request, within 24 hours or during a visit to the Suppliers' facility. Suppliers are responsible to address and follow up corrective actions until effectiveness has been verified.
Product Audits shall be referenced in Production Control Plan.
This requirement is effective from January 2019.

Quality Plus +
Addendum to IATF16949

Document Approval			
Management	Tim O'Donnell	ECR	902427633
Management	Ray Ernst		
Management	Pam Hopper		

Controlled
Document invalid if stamp is black