

## 1. Assessment criteria for each delivery

<b>Product quality</b>		<b>Weighting factor: 3</b>
100 points (Approval without deficit)	Goods are absolutely according to inspection plan and the agreed specification, respectively.	
67 points (Approval with comment)	Assumption: Impact on customer requirements (agreed specifications, characterizations) is excluded. <ul style="list-style-type: none"> <li>• No deficits. Single measurements are outside of specification, but inside comparability of the used method compared to supplier.</li> <li>• The detected variances are without impact on the quality of the finished product.</li> </ul>	
33 points (Exceptional approval)	Assumption: Impact on customer requirements (agreed specifications, characterizations) is excluded and / or the customer is informed and agrees with the variance. <ul style="list-style-type: none"> <li>• Variance to inspection plan respectively the agreed specification.</li> </ul>	
1 point (Block of goods)	Applicable is a possible or detected negative impact on customer requests (agreed specifications, characterizations). <ul style="list-style-type: none"> <li>• The delivery is not useable for reasons of quality and will be refused.</li> <li>• Blockage of goods can also be established for other non-fulfilled terms of contract as well as for goods accepted under reserve.</li> </ul>	

<b>Adherence to delivery dates</b>		<b>Weighting factor: 1</b>
100 points	Delivery on fixed /requested date or confirmed date by supplier	
67 points	Variance up to +/- 2 working days	
33 points	Variance of +/- 3 working days up to +/-1 week	
1 point	<ul style="list-style-type: none"> <li>• Variance of more than +/-1 week</li> <li>• Delay in delivery with influence on production planning at Klüber Lubrication (stock-out)</li> </ul>	

<b>Commercial-logistics delivery performance</b>		<b>Weighting factor: 1</b>
100 points	All requirements are met without restrictions	
67 points	Deviations such as <ul style="list-style-type: none"> <li>• Minor deviation to ordered quantity</li> <li>• Delivery at wrong place</li> <li>• Tank trucks: Delivery outside unloading times</li> </ul>	
33 points	Deviations causing considerable additional effort at Klüber Lubrication: <ul style="list-style-type: none"> <li>• Information missing on delivery papers</li> <li>• Deviation to order amount</li> <li>• Deviation of filling amount in stock keeping unit (SKU)</li> <li>• Packaging declaration of packaging units or pallets is insufficient or missing</li> <li>• Chemical products:                             <ul style="list-style-type: none"> <li>○ Certificate of Analysis is deficient</li> <li>○ Outside defect on packaging: dents or severe soiling</li> </ul> </li> <li>• Tank trucks:                             <ul style="list-style-type: none"> <li>○ No or dirty pipes</li> <li>○ No personal safety equipment</li> <li>○ Missing anti-fall guard</li> <li>○ Missing seal</li> <li>○ No monocuve</li> <li>○ compressor or air pressure system missing</li> </ul> </li> </ul>	

# Supplier Assessment Klüber Lubrication

Commercial-logistics delivery performance - continued		Weighting factor: 1
1 point	Deviations which cause considerable additional effort at Klüber Lubrication and which delay a correct receipt of goods or make it impossible: <ul style="list-style-type: none"> <li>• Delivery note missing</li> <li>• Chemical products:               <ul style="list-style-type: none"> <li>○ Packaging considerably damaged or significantly contaminated; a risk free usage is not possible</li> <li>○ Certificate of Analysis is missing</li> </ul> </li> <li>• Tank trucks:               <ul style="list-style-type: none"> <li>○ Cleaning certificate for tank, pipes and/or air lines missing</li> </ul> </li> </ul>	

## 2. Status and performance ratio

Status	Performance ratio	Explanation
A-Supplier	100 - 90 %	Supplier meets the demands without restrictions
AB-supplier	89,9 - 80 %	Supplier meets the demands
B-supplier	79,9 - 70 %	Supplier meets the demands with restrictions
C-supplier	69,9 - 0 %	Supplier meets the demands insufficiently

## 3. Downgrade of suppliers

There is a number of factors not fully covered by the criteria "on-time delivery", "quality" and "commercial-logistics delivery performance" which may lead to a supplier being downgraded, e.g.:

- Severe and/or frequent complaints which were caused by customer disruptions, including field returns and/or by incoming goods inspection,
- Warranty claims by customers and/or recalls/special actions from the field or dealers which are traced back to supplier's responsibility,
- Insufficient handling of complaints,
- Special status customer notifications which are traced back to supplier's responsibility,
- Delivery delays leading to a stock-out at Klüber Lubrication or our customers,
- Repeated premium freights arising from supplier's responsibility,
- Non-implementation of agreed corrective actions.
- QM certification (ISO 9001, IATF) is lost or not renewed

In case of a downgrade, the supplier will receive detailed information (in writing) about the reasons of downgrading. An agreement on objectives is usually concluded with the supplier to increase performance.

## 4. Consequences

### Grading as B supplier

B suppliers will no longer be considered for new business activities. The supplier is requested to improve the delivery performance by implementing suitable additional measures. If development measures prove successful very fast, new business activities may be re-started also during the current year.

### Grading as C supplier

Usually, C suppliers will no longer be considered for the selection of purchasing sources.