

**ICPE SA Bucuresti
313 Splaiul Unirii
030138 BUCURESTI
RUMÄNIEN**

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Expert Herr Lechner
Phone +49 (7551) 892241
Fax +49 7551 89-72241
E-mail eugen.lechner@diehl-defence.com

Supplier rating 2017

Dear Sir or Madam,

Even technologically excellent products must face up to global competition. In order to be successful in this global competition, we need innovative quality-conscious and reliable suppliers.

To achieve the required transparency on our suppliers, we maintain a supplier rating system. Based on the key data for quality and adherence to delivery dates, suppliers are rated in the categories L1, L2 or L3.

For the Company, the rating for 2017 is as follows:

Supplier rating:	1,0	L1	green
Quality score:	100	QZa	green
Adherence to delivery	100%	LTA	green

In the period under review, we were very satisfied with your deliveries and look forward to continuing our very good cooperation.

This rating is based on the following calculations:

1. The quality score (QZ) is calculated by allocating weighting factors based on the quality of your deliveries

$$QZ = \frac{f_1 + f_2 + \dots + f_n}{C_n}$$

Where:

QZ = quality score
f₁ = weighting factor for delivery lot 1
f₂ = weighting factor for delivery lot 2
f_n = weighting factor for the nth delivery lot
C_n = number of lots delivered in the period under review

The quality scores determined lie between 1 (major shortcomings) and 100 (no shortcomings).

Supplier rating:

QZ from 96 to 100 = A supplier rating (QZa) (green)
QZ from 90 bis < 96 = B supplier rating (QZb) (yellow)
QZ from 1 bis < 90 = C supplier rating (QZc) (red)

2. Calculation of key figure for adherence to delivery dates (LT)

Sum of deliveries made on schedule * 100 %
LT = -----
Sum of deliveries made

All deliveries received by DBD within +/-7 workday, calculated from the agreed date of delivery, are rated as meeting the delivery date.

Supplier rating:

LT > 90 A-Supplier(LTa) (green)
LT 80 to 90 B-Supplier(LTa) (yellow)
LT < 80 C-Supplier(LTa) (red)

3. Calculation of supplier rating (L)

The supplier rating is calculated on the basis of the quality score and the key figure for adherence to delivery dates.

The two key figures are classified by allocating calculation values (green=1, yellow=2 und red=3).

The supplier rating is calculated in this basis, weighted in a ratio of 2/3 (quality) to 1/3 (adherence to delivery dates).

$L = (2*QZ + LT) / 3$

Supplier rating:

L < 1,5 L1-supplier (green)
L 1,5 - 2,5 L2-supplier (yellow)
L > 2,5 L3-supplier (red)

Sincerely yours,

Diehl Defence GmbH & Co. KG

