



12-27-2017

To: All Suppliers to Leading Technology Composites

Subject: Supplier On-Time Delivery Performance – Change Letter

Dear Valued Supplier,

Effective January 1, 2018, Leading Technology Composites is changing the parameters for measuring On-Time Delivery Performance. A shipment will be considered on time if it is received at the LTC plant within seven (7) calendar days early and zero (0) calendar days late for all deliveries. These rules apply to both goods and services procured by LTC. The previous rules of seven (7) calendar days early and seven (7) calendar days late will no longer apply after January 1, 2018. Meeting this requirement is critical as LTC can only deliver on time when its suppliers deliver on time.

LTC requests you adjust your processes to comply with the new On-Time Delivery rules above. As a reminder your On-Time Delivery Performance is measured against the "On Dock Date" of the purchase order you received. Please consider transit time when determining the date you will ship product to supply material or services within the OTD window. If as the supplier you cannot meet the on "On Dock Date", then provide LTC with an alternate "Promise Date" for material or services within seven (7) calendar days of the PO receipt. Your OTD will be based on the "Promise Date" you provided to LTC.

I would also like to take this time to pass along how LTC rates the performance of the supply base.

Performing – Suppliers who maintain a 98% or better on time delivery to the on dock date on our purchase order and/or a rejection rate of no more the 500 ppm. Suppliers in this category are recognized by LTC as partners to strategically align future business with.

Progressing - Suppliers who maintain a 95%-97.99% on time delivery to the on dock date on our purchase order and/or a rejection rate between 501 and 1500 ppm. Suppliers in this category are monitored and encouraged to make the necessary changes to improve to the 98% or better performance level.

Underperforming - Suppliers who maintain a 94.99% or lower on time delivery to the on dock date on our purchase order and/or a rejection rate of 1501 ppm or more. Suppliers in this category run the risk of their existing business being transitioned to Progressing or Performing suppliers. Every effort should be made by this supplier to immediately improve their overall performance.

As always if you should have any additional questions, please feel free to contact Blake Miller (bmiller@ltc-ltc.com) at (316) 944-0011 or your assigned Buyer Agent.

Best regards,

A handwritten signature in cursive script that reads "Blake Y. Miller". The signature is written in dark ink and is positioned above a thin horizontal line.

Blake Miller
Product Delivery Manager