

X-Rite US Supplier Scorecard / Performance Evaluation

To our valued suppliers,

In an effort towards continuous improvement, X-Rite, Inc. US has implemented a Supplier Performance Evaluation process, manifesting in a Supplier Scorecard for each of our direct materials suppliers.

The criteria and scoring dimensions with which we are evaluating our suppliers is summarized below:

- Overall maximum score of 100 points
- Scoring broken into three categories, Quality (max 50 points), Delivery (max 40 points), and Pricing (max 10 points).
- Quality Metric = $([\text{Number of Reports of Discrepant Material (RDM)}] / [\text{\# of Receipts}])$

- o Scoring Criteria:

0%	50 points
1%	48 points
2%	43 points
3%	38 points
4%	33 points
5%	30 points
6-10%	20 points
11-15%	10 points
>15%	0 points

- Delivery Metric = Supplier's On Time Delivery (OTD) % multiplied by 40 points, unless under 75% = 0 points
 - Pricing Metric = Purchase Price Variance (PPV) divided by total spend
 - o Scoring Criteria:
 - Negative or 0% = 10 points
 - 0.01% - 5% = 5 points
 - >5% = 0 points
 - The period of evaluation is the most recent 12 months upon each month's updating and refreshing of the relevant data points.

X-Rite US can transmit a copy of the Supplier Scorecard output file for any respective supplier upon request which summarizes the supplier's performance and scoring across the three criteria detailed above. If you are interested in obtaining a copy of your Supplier Scorecard output – please contact your X-Rite direct materials buyer / planner and/or Commodity Leader.

We thank you for your support and continue to value our relationship.

Doug Dang
Senior Director Global Supply Chain