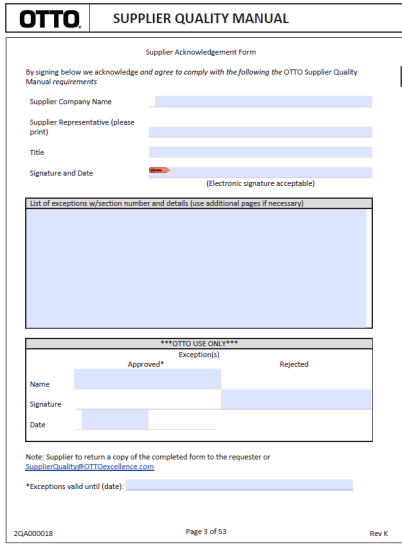
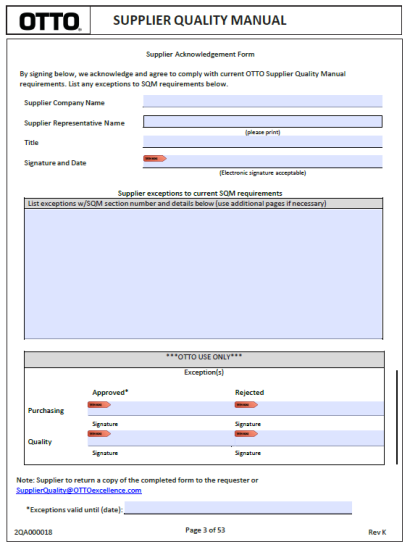


**Unincorporated changes to OTTO's Supplier Quality Manual Revision K Issued 25 JAN 24**

The OTTO Supplier Quality Manual is controlled in Electronic format as presented on the OTTO Website. Paper copies and electronic copies downloaded and saved to a local hard drive are Uncontrolled.

Users must routinely visit the manual online, checking this change page for updates which have been made that are not currently reflected in the manual.

The following changes are effective on the date indicated and will be included in the next SQM update/release post the noted effective date.

Change No.	SQM Section	Before Change	After Change	Effective Date																								
1	Page 3		 <p>Added requirement/section for Purchasing signoff for exceptions</p>	11/13/24																								
2	12.0	<p><b>12.0 Supplier Performance Monitoring (i.e., Scorecard)</b>                      OTTO maintains a system to monitor, measure and report Supplier performance. Suppliers are notified of their performance through monthly scorecards. The scores are based Quality, Delivery, Responsiveness and Cost Reduction and calculated as follows:</p>	<p><b>12.0 Supplier Performance Monitoring (i.e., Scorecard)</b>                      OTTO maintains a system to monitor, measure and report Supplier performance. Suppliers are notified of their performance through monthly scorecards. The scores are based Quality, Delivery, and Responsiveness and calculated as follows:</p>	11/1/24																								
3	12.5	<p><b>12.5 Total Monthly Score</b></p> <table border="1"> <thead> <tr> <th>Rating</th> <th>Score (%)</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td>Green</td> <td>90 - 100</td> <td>No Supplier action required.</td> </tr> <tr> <td>Yellow</td> <td>80 - 89</td> <td>Supplier to submit to their OTTO Buyer, a Performance Improvement Plan within 30 days.</td> </tr> <tr> <td>Red</td> <td>&lt; 80</td> <td>Supplier to submit to their OTTO Buyer, a Performance Improvement Plan within 15 days, and an On-site visit is required.</td> </tr> </tbody> </table>	Rating	Score (%)	Action	Green	90 - 100	No Supplier action required.	Yellow	80 - 89	Supplier to submit to their OTTO Buyer, a Performance Improvement Plan within 30 days.	Red	< 80	Supplier to submit to their OTTO Buyer, a Performance Improvement Plan within 15 days, and an On-site visit is required.	<p><b>12.5 Total Monthly Score</b></p> <table border="1"> <thead> <tr> <th>Rating</th> <th>Score (%)</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td>Green</td> <td>90 - 100</td> <td>No Supplier action required.</td> </tr> <tr> <td>Yellow</td> <td>80 - 89</td> <td>Supplier to submit to their OTTO Buyer, a Performance Improvement Plan within 30 days.</td> </tr> <tr> <td>Red</td> <td>&lt; 80</td> <td>Supplier to submit to their OTTO Buyer, a Performance Improvement Plan within 15 days, and an On-site visit (OTTO at Supplier or Supplier at OTTO) or virtual visit is required.</td> </tr> </tbody> </table>	Rating	Score (%)	Action	Green	90 - 100	No Supplier action required.	Yellow	80 - 89	Supplier to submit to their OTTO Buyer, a Performance Improvement Plan within 30 days.	Red	< 80	Supplier to submit to their OTTO Buyer, a Performance Improvement Plan within 15 days, and an On-site visit (OTTO at Supplier or Supplier at OTTO) or virtual visit is required.	11/1/24
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4	13.0	<p><b>13.0 Corrective Action Requirements</b></p> <p>It is essential that Suppliers take immediate corrective action when any nonconformance is identified by OTTO or any of our customers. When a nonconformance is identified, and corrective action is required, OTTO Quality will inform the Supplier by sending a Supplier Corrective Action Request email. <i>It is expected that Suppliers actively assist in the analysis of any nonconformance.</i> This corrective action system is designed to prevent the use of suspect and/or nonconforming material. Suppliers are to provide written containment within five (5) working days from notification that Corrective Action is required.</p> <ul style="list-style-type: none"> <li>• Containment: <ul style="list-style-type: none"> <li>○ Short-term/immediate actions taken to isolate OTTO from the noted nonconformance.</li> <li>○ Implementation dates for the actions taken.</li> <li>○ Supporting documentation/evidence of action taken required.</li> </ul> </li> </ul> <p>Final Corrective Action Reports are due within fifteen (15) days of receiving notification that Corrective Action is required.</p> <p>Final Corrective Action Report must include:</p> <ol style="list-style-type: none"> <li>1. Description of the Nonconformance. <ul style="list-style-type: none"> <li>○ Details provided by OTTO.</li> </ul> </li> <li>2. Complete Containment (short-term) Action taken (see above).</li> <li>3. Root Cause Analysis <ul style="list-style-type: none"> <li>○ <i>Identify deficiency(s) in the management and/or operating systems, practices and/or procedures that allowed the noted nonconformance to occur.</i></li> </ul> </li> <li>4. Corrective (permanent/long-term) Action. <ul style="list-style-type: none"> <li>○ Implementation dates required.</li> <li>○ Supporting documentation/evidence of action taken.</li> </ul> </li> <li>5. Supplier verification of Corrective Action effectiveness. <ul style="list-style-type: none"> <li>○ Verification dates required.</li> <li>○ Supporting documentation/evidence of verification.</li> </ul> </li> </ol>	<p><b>13.0 Corrective Action Requirements</b></p> <p>It is essential that Suppliers take immediate corrective action when any nonconformance is identified by OTTO or any of our customers. When a nonconformance is identified, and corrective action is required, OTTO Supplier Quality will inform the Supplier by sending a Supplier Corrective Action Request email. <i>It is expected that Suppliers actively assist in the analysis of any nonconformance.</i> This corrective action system is designed to prevent the use of suspect and/or nonconforming material. Suppliers are to provide written containment within five (5) working days from notification that Corrective Action is required.</p> <ul style="list-style-type: none"> <li>• Containment (Short-term/immediate actions taken to isolate OTTO from the noted nonconformance). Containment is to include review of the following as applicable. <ul style="list-style-type: none"> <li>• Inventory (supplier's and their subcontractor's location)</li> <li>• In-process production (supplier's and their subcontractor's location)</li> <li>• In transit to OTTO</li> </ul> </li> <li>○ Implementation dates for the actions taken.</li> <li>○ Supporting documentation/evidence of actions taken.</li> </ul> <p>Final Corrective Action Reports are due within fifteen (15) days of receiving notification that Corrective Action is required.</p> <p>Final Corrective Action Report must include:</p> <ol style="list-style-type: none"> <li>1. Description of the Nonconformance (Details are provided by OTTO).</li> <li>2. Complete Containment Action taken (see above).</li> <li>3. Root Cause Analysis <ul style="list-style-type: none"> <li>○ <i>Identify deficiency(s) in the management and/or operating systems, practices and/or procedures that allowed the noted nonconformance to occur.</i></li> </ul> </li> <li>4. Corrective (permanent/long-term) Action. <ul style="list-style-type: none"> <li>○ Implementation dates required.</li> <li>○ Supporting documentation/evidence of action taken.</li> </ul> </li> <li>5. Supplier verification of Corrective Action effectiveness. <ul style="list-style-type: none"> <li>○ Verification dates required.</li> <li>○ Supporting documentation/evidence of verification.</li> </ul> </li> </ol>	12/16/24