

## ROCKWELL COLLINS TRUSTED SUPPLIER PROGRAM

### Recognizing outstanding performance.



Every day, the world's leading aerospace and defense companies rely on Rockwell Collins for smart communications and avionics electronics solutions to ensure the safety and dependability of their aircraft and the people on board. Working with a strong performing supply base is a critical factor in our ability to deliver these solutions and build upon the trust and respect that Rockwell Collins has garnered since 1933.

Our Trusted Supplier Program, introduced early in 2013, is designed to foster collaboration with our supplier network to improve efficiencies and drive performance. It also provides a formal framework to inform suppliers of how they're doing, recognize their achievements and celebrate our collective success.

The program couples quantitative performance measures, including delivery and quality, with qualitative assessments of total cost of ownership, technology and customer support to recognize supplier contributions to our strategic success.

**Rockwell  
Collins**

[www.rockwellcollins.com](http://www.rockwellcollins.com)

## Business alignment

Business alignment takes into account total cost of ownership, technology and customer support. These qualitative aspects of a supplier's performance help provide us with a holistic view of their approach to doing business with Rockwell Collins and delivering results. The chart below outlines *general* considerations for each performance level. We strongly encourage suppliers to register on the Rockwell Collins supplier portal, [supplycollins.com](http://supplycollins.com), to monitor their performance. They will also gain access to purchase order updates and the latest information on quotes.

	Green	Yellow	Red
<b>Total cost of ownership</b>	<ul style="list-style-type: none"> <li>› Net 90 or better payment terms</li> <li>› No minimum buy quantities and/or dollars</li> <li>› Competitive pricing and terms</li> <li>› Provides frequent opportunities/suggestions for cost reduction</li> <li>› Participated in Lean training initiatives and/or have initiated their own lean program</li> <li>› Provides cost reduction year over year</li> </ul>	<ul style="list-style-type: none"> <li>› Net 45-60 payment terms</li> <li>› Pricing and terms only consistent with peers</li> <li>› Provides occasional opportunities/suggestions for cost reduction</li> <li>› Has considered Lean initiatives and is currently evaluating implementation</li> <li>› Holds pricing flat over term</li> </ul>	<ul style="list-style-type: none"> <li>› Less than Net 45 payment terms</li> <li>› Pricing and terms less than competitive</li> <li>› No interest in addressing Rockwell Collins win factors</li> <li>› Rarely provides opportunities/suggestions for cost reduction</li> <li>› Supplier has not considered or employed Lean</li> <li>› No yearly cost reductions and may even directly pass on price increases</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>› Significant innovation in product and technology advances</li> <li>› Provides training and assistance in design support</li> <li>› Has in-house qualification capability</li> <li>› Has failure analysis capabilities</li> <li>› Develops solutions that meet specific Rockwell Collins needs</li> <li>› Consistently meets/exceeds design schedule</li> <li>› Proactively involved in product improvements</li> <li>› Supplier provides correct resources for required skill level</li> </ul>	<ul style="list-style-type: none"> <li>› Demonstrates some technology leadership and is able to replicate innovations</li> <li>› Supplier reactively supports the Green criteria</li> <li>› Reactive involvement in product improvements</li> <li>› Supplier provides correct resources most of the time for required skill level</li> </ul>	<ul style="list-style-type: none"> <li>› No demonstrated innovations; complacent</li> <li>› Supplier supports Green criteria minimally or not at all</li> <li>› No involvement in product improvements</li> <li>› Frequently assigns over/under qualified resources</li> </ul>
<b>Customer support</b>	<ul style="list-style-type: none"> <li>› Corrective Action score is <math>\geq 3.5</math></li> <li>› PO Updates on supplier scorecard is green</li> <li>› Return Material Authorization (RMA) in a timely manner (24 hours or less)</li> <li>› Supports our field reliability objectives</li> <li>› Proactive in resolving issues to minimize impact</li> <li>› Risk management is evident and proactive</li> <li>› Has provided acceptable Business Continuity Plan (BCP) or equivalent</li> <li>› Answers communication in a timely fashion and complete manner</li> <li>› Supplier is fully integrated with business processes (portal adoption, EDI, SAP Ariba)</li> </ul>	<ul style="list-style-type: none"> <li>› Sometimes meets a portion of the Green criteria</li> <li>› Corrective Action score is <math>\geq 3.0</math></li> <li>› PO Updates on supplier scorecard is yellow</li> <li>› Has provided acceptable BCP or equivalent but lacks some key components</li> <li>› Has a reactive approach to risk management</li> <li>› Supplier is proactive in resolving issues most of the time to minimize impact</li> <li>› Answers communication in a timely fashion and complete manner most of the time</li> <li>› Supplier is partially integrated with business processes (portal adoption, EDI, SAP Ariba)</li> </ul>	<ul style="list-style-type: none"> <li>› Rarely meets the Green criteria</li> <li>› Corrective Action score less than 3</li> <li>› PO Updates on supplier scorecard is Red</li> <li>› Has no formal BCP and lacks fundamental continuity assurances</li> <li>› Risk management is not evident</li> <li>› Supplier is reactive to resolving issues</li> <li>› Supplier's responsiveness is not timely or complete</li> <li>› Supplier is not integrated with business processes (portal adoption, EDI, SAP Ariba)</li> </ul>

## Performance levels

The Trusted Supplier Program factors in quality and on-time delivery based on the current performance metrics shared with suppliers through our supplier portal, SupplyCollins.com. The criteria align to the expectations outlined by our customers to ensure we are all working toward consistent goals and outcomes.

	Quality		On-time delivery	Business alignment		
	Direct	Purchased assemblies		Total cost of ownership	Aligned technology	
<b>Platinum Premier</b>	0 DPPM	<1,000 DPPM	99.9-100%	Green in all 3 attributes		
<b>Gold Elite</b>	<250 DPPM	<2,000 DPPM	99.5-99.9%	2 greens / 1 yellow		
<b>Silver Select</b>	<500 DPPM	<4,000 DPPM	99-99.5%	1 green / 2 yellows		
<b>Underperformer</b>	<5,000 DPPM	<8,000 DPPM	80-99%	3 yellows or any reds		<b>Minimum baseline</b>
<b>At Risk</b>	>5,000 DPPM	>8,000 DPPM	<80%	3 yellows or any reds		

## Business opportunities and recognition

Platinum Premier, Gold Elite or Silver Select levels will achieve much more than a symbol of recognition.

Suppliers who achieve a performance status above the minimum baseline will be positioned for business opportunities based on their strengths and direct contributions to our customer programs. In turn, these suppliers may also be recognized through various channels throughout the year, such as attending our Annual Supplier Conference (ASC) or direct access to our Engineering teams to help influence design and development decisions, as well as a public announcement/press release.

If a supplier's performance places it below the minimum baseline, it may incur business restrictions until it demonstrates meaningful and sustained improvements.

Initially, participation in the program is based on specific business level criteria. As the program matures, and competitive pressures and customer expectations rise, business thresholds may be increased or minimum expectations may be required to participate in the program. Qualified suppliers will be notified of their status twice a year and placed in the recognition level that aligns with their overall annual performance.

	Business opportunities	Recognition	
<b>Platinum Premier</b>	<ul style="list-style-type: none"> <li>&gt; Access to executive leadership and program design teams</li> <li>&gt; Promote Engineering Supplier/part list</li> <li>&gt; Promote for future sourcing decisions</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Eligible for ASC invitation</li> <li>&gt; Announcement/press release</li> <li>&gt; Recognition plaque</li> </ul>	
<b>Gold Elite</b>	<ul style="list-style-type: none"> <li>&gt; Access to sourcing decision makers</li> <li>&gt; Preferred Engineering Supplier/part list</li> <li>&gt; Preferred for future sourcing decisions</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Eligible for ASC invitation</li> <li>&gt; Letter of recognition</li> <li>&gt; Rockwell Collins publications</li> </ul>	
<b>Silver Select</b>	<ul style="list-style-type: none"> <li>&gt; Access to sourcing decision makers</li> <li>&gt; Eligible Engineering Supplier/part list</li> <li>&gt; Eligible for future sourcing decisions</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Eligible for ASC invitation</li> <li>&gt; Letter of recognition</li> <li>&gt; Rockwell Collins publications</li> </ul>	
	Business limitations	Outcomes	<b>Minimum baseline</b>
<b>Underperformer</b>	<ul style="list-style-type: none"> <li>&gt; Approval required for access to new business</li> <li>&gt; Sourcing status downgraded if not improving</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Performance improvement plan</li> <li>&gt; Increased capability audits</li> </ul>	
<b>At Risk</b>	<ul style="list-style-type: none"> <li>&gt; Restrictions on new quotes/awards</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Performance escalation</li> <li>&gt; Increased capability audits</li> <li>&gt; Reduced business</li> </ul>	

### Building trust every day.

Rockwell Collins delivers smart communication and aviation electronic solutions to customers worldwide. Backed by a global network of service and support, we stand committed to putting technology and practical innovation to work for you whenever and wherever you need us. In this way, working together, we build trust. Every day.

### For more information, contact:

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