



Triumph Group Supply Chain Management Procedure

SCMP 2.2 - Supplier Performance Improvement Program

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AS9100 Linkage: AS9100 Section 8.4

1. Process Owner

- 1.1 Triumph Group Supplier Quality Management and Triumph Group Supply Chain Management.

2. Applies To

- 2.1 Triumph Group Supply Chain Management, Triumph Group Supplier Quality Management and Triumph Group Companies as noted in the Triumph Group Supplier Quality Assurance Manual (SQAM001).

3. Purpose

- 3.1 The purpose of this document is to define methods used to address and process chronic and/or severe performance issues associated with Triumph Group approved suppliers.
- 3.2 The Supplier Performance Improvement Program (SPIP) may be initiated by either Triumph Group or Triumph Group Company. Triumph Group may invoke SPIP for enterprise level Supplier performance issues and Triumph Group Companies initiate SPIP for Triumph Group Company Level Supplier performance issues.
- 3.3 Triumph Group and Triumph Group Company personnel shall coordinate activities when Suppliers are placed in SPIP.

4. Reference Documents

- 4.1 SCMP 2.1 – Supplier Corrective Action
- 4.2 SCMP 4.1 - Preferred Performer Program (P³)
- 4.3 SCMP 8.2 - Supply Chain Source Surveillance
- 4.4 SQAM001 – Triumph Supplier Quality Assurance Manual

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5. Definitions and Acronyms

5.1	Corrective Action	Actions planned and implemented to eliminate or reduce the causes of a nonconforming product, process or service in order to prevent recurrence.
5.2	Initiator	SPIP Initiator
5.3	SPIP	Supplier Performance Improvement Program
5.4	SQAM001	Triumph Supplier Quality Assurance Manual
5.5	Supplier Appraisal	A formal documented activity performed at a Supplier's facility by Triumph personnel in order to assess compliance with targeted systems and measures of performance prior to addition to the Triumph Group Approved Supplier List.
5.6	Triumph Group ASL	Triumph Group Approved Supplier List
5.7	Triumph Group Company ASL	Triumph Group Company Approved Supplier List. Triumph Group Company Approved Supplier List is a subset of the Triumph Group Approved Supplier List.
5.8	Triumph Group Company	A Triumph Group Company Location
5.9	Triumph Group Supplier Quality Management	Refers to Corporate Supplier Quality Management
5.10	triumphsupplysource.com	Triumph Supplier Portal. Website that houses the Triumph Group approved supplier list, supplier performance and supplier requirements. Often referred to as "the system" or "the portal".

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6. Responsibilities

- 6.1 Triumph Group Supplier Quality Management and Triumph Group Company Quality Management are responsible for managing the Quality portion of the SPIP process defined in this document and shall act as the communication medium to the Supplier during the SPIP process as defined in this document.
- 6.2 Triumph Group Supply Chain Management and Triumph Group Company Procurement Management are responsible for managing the Procurement portion of the SPIP.
- 6.3 Additional responsibilities are defined in the procedure body.

7. Procedure

- 7.1 Upon management discretion a formal notification will be issue to low impact suppliers with poor performance via Form SCMP 2.2 (b) Supplier Notification of Poor Performance. The notification will be sent out in leu of initiating the SPIP process.
- 7.2 SPIP Process Initiation
 - 7.2.1 SPIP process can be initiated by the following Triumph entities when supplier performance issues occur:
 - 7.2.1.1 Triumph Group Company,
 - 7.2.1.2 Triumph Group Supplier Quality Management,
 - 7.2.1.3 Triumph Group Supply Chain Management
 - 7.2.2 The SPIP initiator shall consider initiating the SPIP process in the event of chronic quality or delivery performance issues.
 - 7.2.2.1 Issues that may be out of the control of the supplier may relieve the supplier from being placed into SPIP. Such issues may include but are not limited to: defective or worn customer tooling, customer drawing errors, etc. If these issues are to occur, they are to be recorded in the supplier's profile located within triumphsupplysource.com.
 - 7.2.3 At the discretion of the initiator, supplier source surveillance may also be imposed and shall be managed in accordance with SCMP 8.2 - Supply Chain Source Surveillance.
 - 7.2.4 If the supplier is approved in accordance with SCMP 4.1 - Preferred Performer Program (P³) appropriate actions shall be taken in accordance with SCMP 4.1 - Preferred Performer Program (P³).

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- 7.3 SPIIP Notification
 - 7.3.1 Internal Triumph Group notification of SPIIP activities shall occur at least 5 business days prior to supplier notification of SPIIP action.
 - 7.3.1.1 Notification shall occur to Triumph Group Supply Chain Management, Triumph Group Companies utilizing the Supplier.
 - 7.3.2 After the 5-day notification period, Triumph Group Supplier Quality (if Triumph Group initiated) or Triumph Group Company Quality (if Triumph Group Company initiated) will formally issue formal notifications via Form SCMP 2.2 (a) Supplier Performance Improvement Program Notification Letter to the Supplier.
 - 7.3.3 The letter shall identify the issues that necessitated the need for initiating the SPIIP process and provide a brief outline of the SPIIP process.
 - 7.3.4 During the SPIIP process, the supplier may be placed on “Probationary Approval” status at the Triumph Group Company level on triumphsupplysource.com.
- 7.4 Problem Definition Meeting
 - 7.4.1 The initiator shall schedule a Problem Definition Meeting with the supplier to define the problems.
 - 7.4.1.1 Meetings can be held at the supplier’s business location, the Triumph Group Company or via electronic media. The method of communication is at the discretion of the SPIIP initiator.
 - 7.4.1.2 The SPIIP initiator shall lead and document the meeting with the Supplier.
 - 7.4.1.2.1 Triumph attendees may include affected Triumph Group Supplier Quality, Triumph Group Supply Chain and affected Triumph Group Company personnel.
 - 7.4.1.2.2 Supplier attendees shall include the supplier’s management, including as appropriate leadership from the Operations and Quality functions.
 - 7.4.1.3 Agenda items for the meeting include:
 - 7.4.1.3.1 Overview of the SPIIP process.
 - 7.4.1.3.2 Review of past performance data, quality or delivery incidents, notification of escapes and/or supplier corrective actions that have been issued and prompted the initiation of the SPIIP process.

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- 7.6 Progress Review Meeting
 - 7.6.1 The initiator shall convene a Progress Review meeting at an appropriate, agreed upon interval to review the supplier's recovery plan performance and progress.
 - 7.6.1.1 Meetings can be held at the supplier's business location, Triumph Group Company location or via electronic media. The method of communication is at the discretion of the initiator.
 - 7.6.1.2 The initiator shall lead and document the meeting.
 - 7.6.1.2.1 Triumph attendees should include any affected Triumph Group or other Triumph Group Company personnel.
 - 7.6.1.2.2 Supplier attendees shall include the supplier's management, including as appropriately leadership from the Operations and Quality functions.
 - 7.6.1.3 Agenda items for the meeting shall include:
 - 7.6.1.3.1 The initiator shall provide supplier's recovery plan, any or all submitted data from the supplier to all participants for review to determine compliance and evidence of improvement.
 - 7.6.1.3.2 The supplier shall provide to all participants any or all data "not previously submitted" to the initiator for review that would support compliance and evidence of improvement.
 - 7.6.2 Post Progress Review Meeting Actions
 - 7.6.2.1 Upon completion of the evaluation, a determination shall be made if the supplier has effectively complied with the recovery plan and has shown improvement as follows:
 - 7.6.2.1.1 At any time during the probationary period or at Triumph discretion, the initiator may recommend that the supplier be returned to "Approved" status or be "Terminated" if sufficient evidence can be provided in either case.
 - 7.6.2.1.2 At the discretion of the initiator, on-site verification at the suppliers facility may be performed to verify effectiveness of the corrective action as applicable

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- 7.6.2.1.3 If at the end of the designated probationary period the supplier has demonstrated the ability to sustain an acceptable level of performance they, will have their Probationary status changed on triumphsupplysource.com and returned to "Approved" status, if previously placed on probation.
 - 7.6.2.1.4 When a decision is made to remove the supplier from SPIP, the initiator will notify the supplier in writing. The initiator shall continue to monitor the supplier's on-going performance.
 - 7.6.2.1.5 Triumph shall record the results of the SPIP and close the supplier E-SCAR.
 - 7.6.2.2 If the supplier has not effectively executed the recovery plan and/or effectiveness cannot be verified via desktop then the initiator may:
 - 7.6.2.2.1 Arrange for an on-site verification to be conducted to verify the implementation and effectiveness of the corrective action as applicable.
 - 7.6.2.2.2 If on-site verification proves to be effective, then the initiator shall proceed in accordance with Para 7.6.2.1.
 - 7.6.2.2.3 If the on-site verification proves that the supplier was not effective, then at the discretion of the initiator the supplier may remain in the "Probationary" status and a date shall be set for a for a subsequent Progress Review Meeting.
 - 7.6.2.2.4 The supplier may be "Terminated" at the Triumph Group Company level or "Inactivated" at the Triumph Group level based upon insufficient objective evidence of improvement.
 - 7.6.2.2.5 Triumph shall record the results of the SPIP and close the supplier E-SCAR.
 - 7.7 Inactivation
 - 7.7.1 If the Supplier is recommended for "Inactivation" from the Triumph Group ASL, concurrence between all Triumph Group Companies utilizing the supplier will be required.
 - 7.7.1.1 Triumph Group or other Triumph Group Company approval is not required for an individual Triumph Group Company to terminate a

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supplier from their specific Triumph Group Company ASL. The supplier may remain approved on the Triumph Group ASL or other Triumph Group Companies ASL's.

8. Appendices and/or Flowcharts

8.1 None

9. Required Forms

9.1 Form SCMP 2.2 (a) Supplier Performance Improvement Program Notification Letter

9.2 Form SCMP 2.2 (b) Supplier Notification of Poor Performance

10. Required Records

10.1 Supplier E-SCAR

11. Training Materials

11.1 None

12. Revision History

Revision Level	Description of Change	Effective Date
Original	New Document	10 September 2007
A	Added paragraph 6.12.5 to add requirements for customer directed and/or sole source suppliers	15 July 2013
B	Document wide changes too widespread to indicate via change bars	01 April 2014
C	Revised to remove reference to Business Unit and replace with Triumph Group Company (s).	23 June 2017
D	Revised para. 6.1, 6.2, 7.2.1.1, 7.2.2, 7.2.4, 7.4.2, 7.3.1.2.1, 7.5.2.1.3	14 February 2018
F	Added paragraph 7.1 and required Form SCMP 2.2 (b) Supplier Notification of Poor Performance. Update Approvals (Authorizing Signature on File)	10 August 2018

13. Approvals (Authorizing Signatures on File)

/s/ F.L. Ellison, Director, Enterprise Supplier Quality, Triumph Group Inc. 10 August 2018