

Vendor Performance & Announcement April 2018

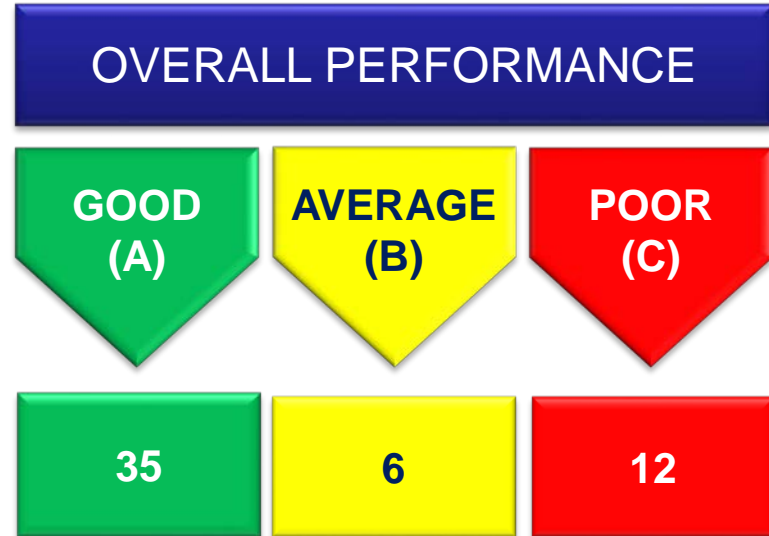
Mr. Sander Willems, Strategic Purchasing

Mrs. Sandra Voordeckers, Supplier Quality Assurance

Mr. Ted Witteveen, Supply Chain Management

Performance Apr 2018

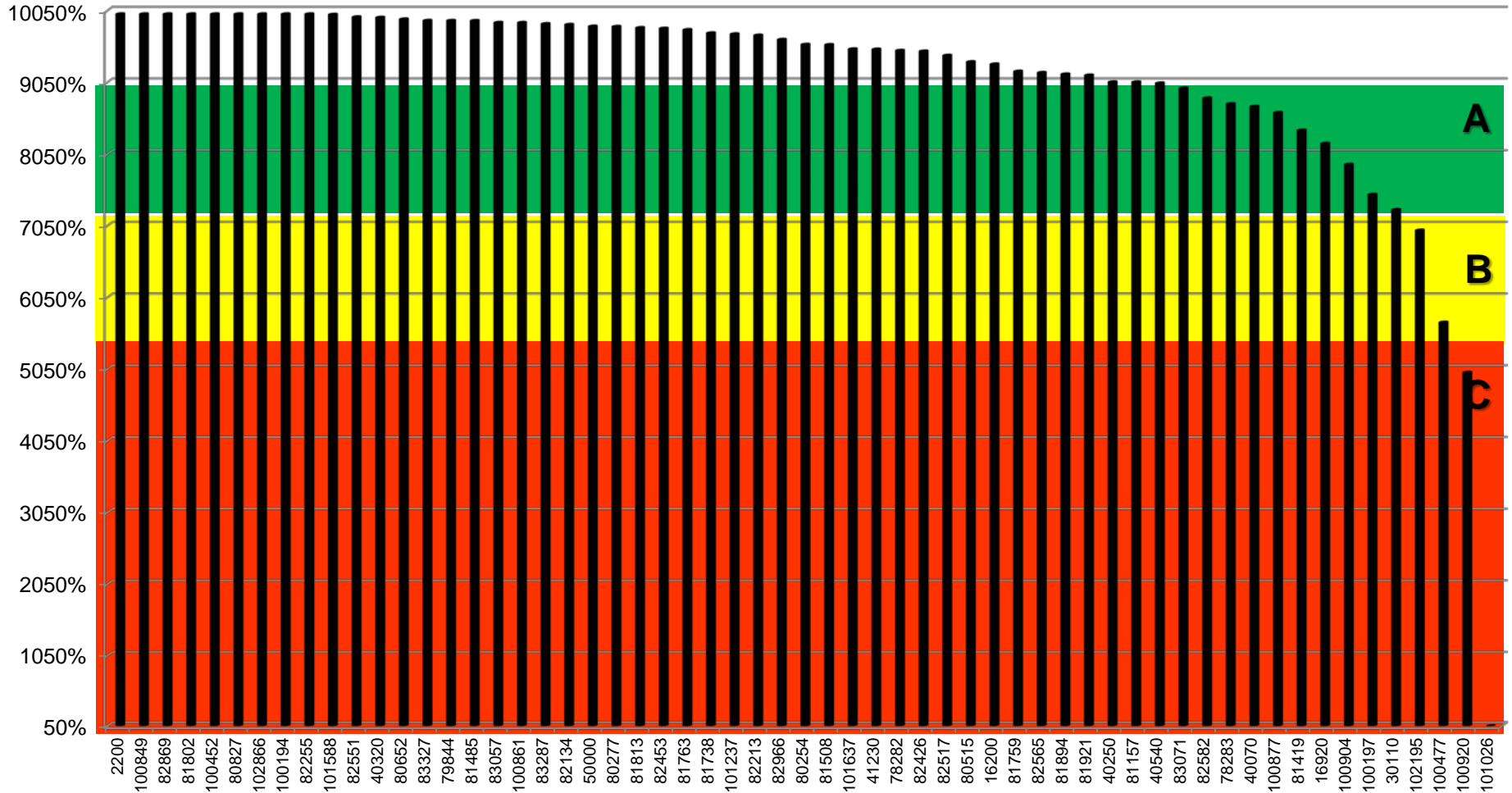
Total component
Vendors (for production)
53



TOP 4 VENDORS	BOTTOM 4 VENDORS
2200	80277
81763	41230
100849	101637
82134	82453

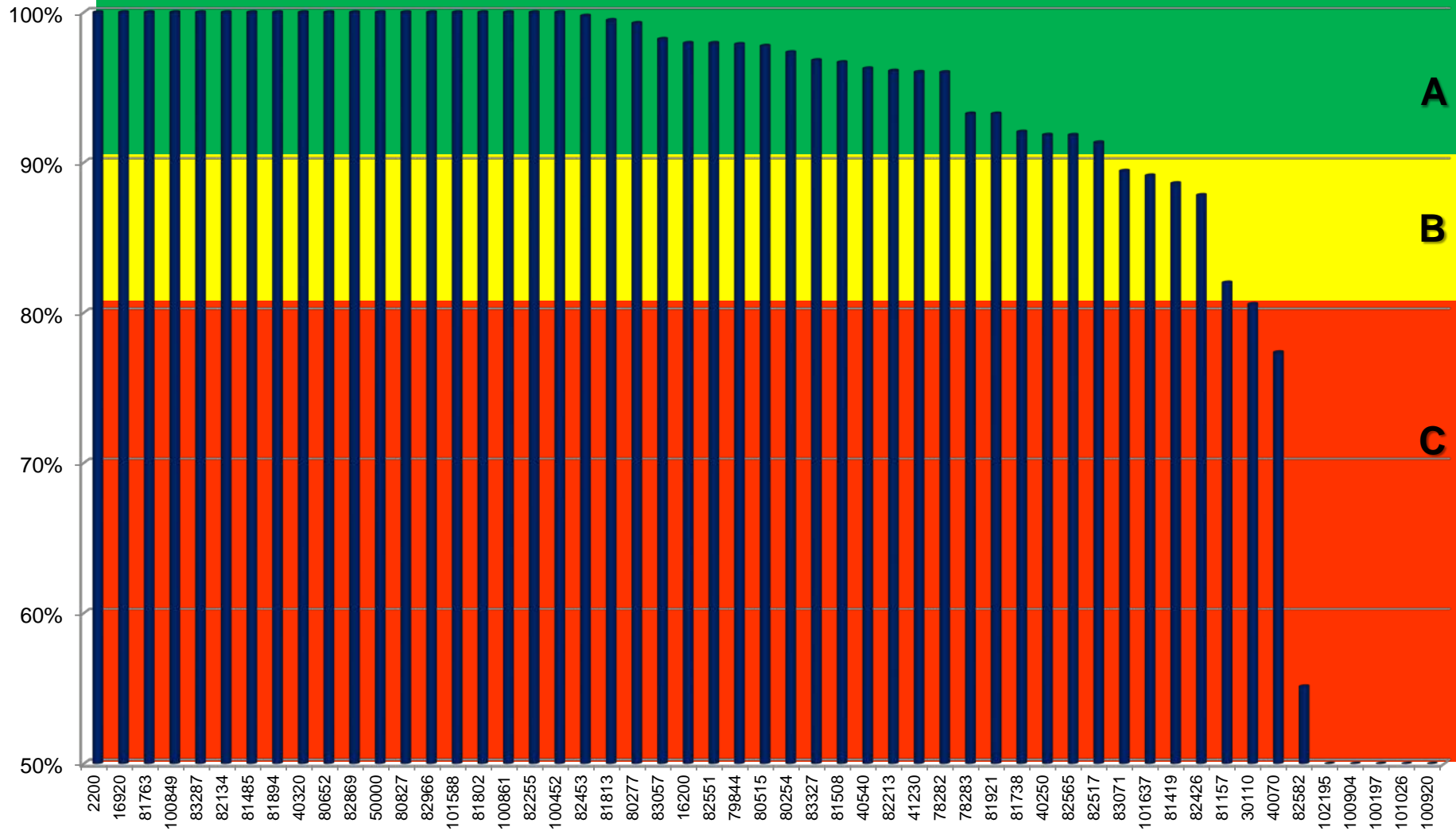
Logistical Clip Measurement

2018 cumulative total



Logistical Clip Measurement

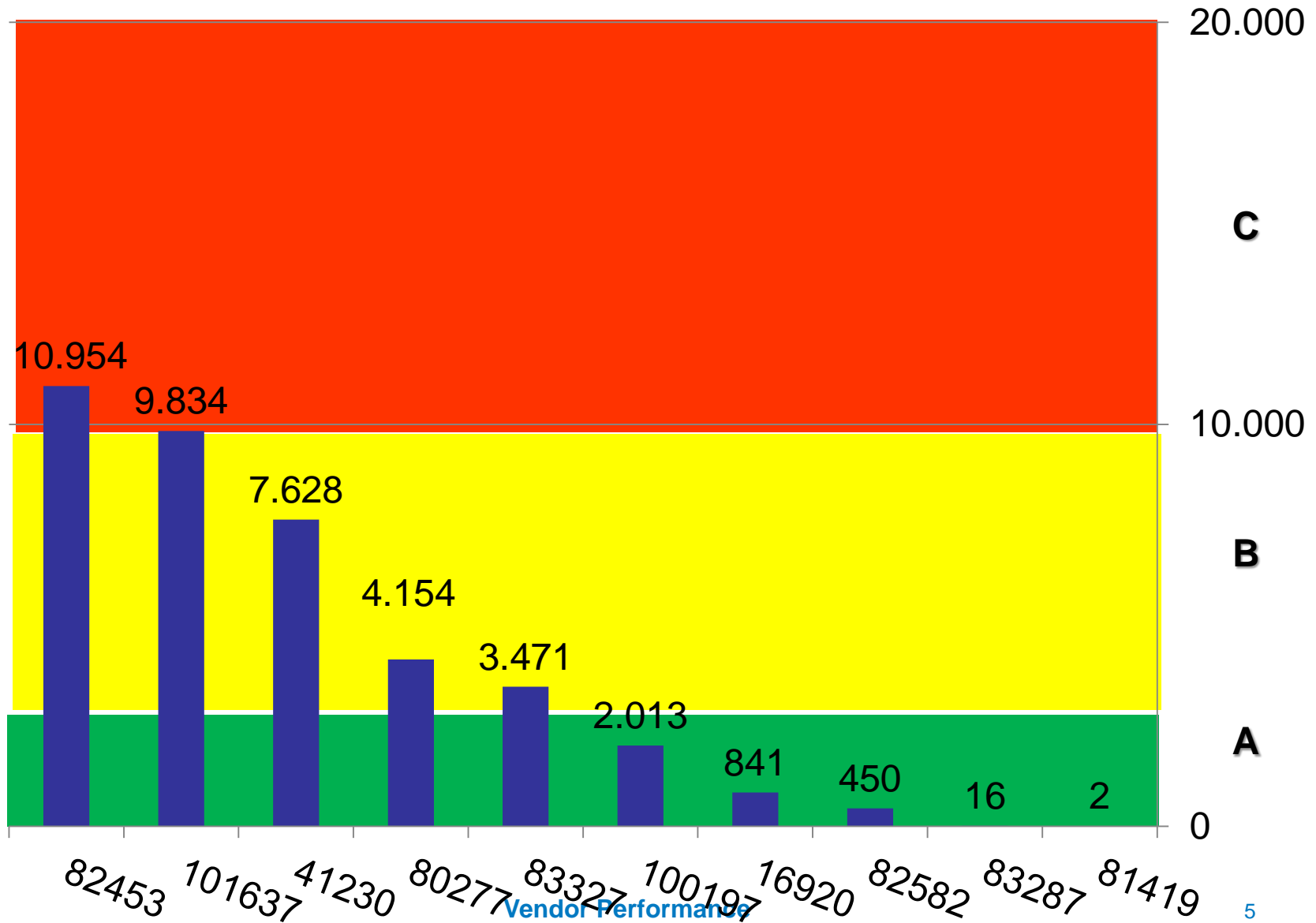
April 2018



Vendor Performance

Quality Measurement

April 2018



Announcement : Red Vendors

- Supplier Improvement Programs to be continued:
 - 101637 for QA performance
- Joint product development program with 101237 continues as part of Apollo program, no Red Vendor.

These Red Vendors will, together with Punch Powertrain Strategic Purchasing, investigate and present the **cause and counter measure report to Punch Powertrain Sint-Truiden**

Definition PPM

- PPM (Parts per million) is a measurement used by Punch Powertrain to measure quality performance.
- Definition: One PPM means one (defect) in a million or 1/1,000,000
- The Punch Powertrain rate for most automotive supplies is targeted at 25 PPM or 0.0025%. To calculate: For example, let's say you had 25 pieces defective in a shipment of 1,000 pieces. $25/1000 = .025$ or 2.5% defective. $.025 \times 1,000,000 = 25,000$ PPM.
- 2018 PPM target ≤ 25 PPM (or contractually agreed otherwise)

Definition CLIP

- CLIP (Confirmed Line Item Performance) is a measurement used by Punch Powertrain to measure delivery performance between the supplier and Punch Powertrain Sint-Truiden.
- Definition: The KPI measurement considers all deliveries in a specific month versus delivery due date when:
 - The delivery arrives within a 3 day window + and - of the requested date ; And if the received quantities are +/- 10% of the requested quantity. The CLIP target is currently defined > 90%.
- Starting 1 January 2018 The CLIP KPI will be sharpened in such a way that Punch Powertrain only accepts too early deliveries in a 3 day window, but not anymore too late deliveries (+3 days). CLIP target for 2018 is > 95%.

Groupe PSA selects Punch Powertrain technology for future electrified transmission

PRESS RELEASE

Sint-Truiden, May 7, 2018

Groupe PSA selects Punch Powertrain technology for its future electrified transmission systems

- **Punch Powertrain has been selected to supply its newest generation of patented e-DCT systems by 2022, as part of Groupe PSA's electrification push.**
- **This electrified Dual Clutch Transmission - hybrid DT2 – with a 48V motor will equip Mild Hybrid Electric Vehicles.**
- **The two companies are entering into discussions about manufacturing the technology at one of Groupe PSA's plants and are exploring the possibility of extending the partnership.**

Groupe PSA, engaged in the electrification shift

Groupe PSA has been actively accelerating its shift to electrified vehicles (Mild-hybrid (MHEV), Electric Vehicles (EV) and Plug-in Hybrid (PHEV) with the aim of developing an electrified offering covering 100% of its range by 2025.

In this context, Groupe PSA's decision to select Punch Powertrain as the supplier of its next generation electrified transmission systems is highly strategic.

Best in class Dual Clutch Transmission

Groupe PSA's main reason for cooperating with Punch Powertrain is to leverage its cutting-edge and patented dual clutch transmission design, which allows for fewer components, and hence a lighter and more compact transmission system. In addition, it delivers outstanding performance and a very favorable fuel economy at a competitive cost. The next generation of this design, with a 48V motor configuration, will be installed by Groupe PSA in its vehicles.

This DCT technology establishes a new reference point for all competing DCTs in the passenger car and light commercial vehicle segments, given its outstanding characteristics.

Punch Powertrain, strong customer focus and big investment

Punch Powertrain has carried out major investments to meet the requirements of a project of this magnitude, including the acquisition of the power electronics expert Apojee.

Punch Powertrain's international growth strategy

The agreement with Groupe PSA is a major step for Punch Powertrain and is in line with its strategic vision of becoming a global automotive supplier. To secure sustainable and continuous growth, the company has focused on two objectives: expanding its product portfolio and establishing a worldwide customer base in global markets.

With Groupe PSA as its first large European customer, Punch Powertrain is meeting its second objective: securing its position in Europe and expanding its global footprint.

Punch Powertrain and XPT sign joint venture agreement for production of Electric Powertrains

Press release 18/05/2018

- **On May 18 Punch Powertrain and XPT have signed a joint venture agreement that will establish a new manufacturing plant in Nanjing and will yearly supply hundreds of thousands of Electric Powertrains to customers of both partners.**
- **Industrialization of Electric Powertrains** The joint venture is established for the purpose of producing state-of-the-art Electric Transmissions for Pure EV applications. 10 million euro will be invested in a new production facility in Nanjing, where powertrains of both partners will be industrialized. Design and development of current and future products will remain within the parent companies, for which they both have full capabilities. To start the cooperation one single speed Electric Transmission by Punch Powertrain and one by XPT will be brought in production beginning of 2019.
- **Complementing strengths** XPT is a global startup, based in China, focused on e-propulsion platforms, including Electric Drive Systems and Energy Storage Systems. XPT operates under the car manufacturer NIO, supplying primarily to NIO, but also to other OEMs. XPT has full design and development capabilities for electric propulsion systems. In Punch Powertrain it has found an established partner with broad automotive experience for the industrialization of their transmissions.
- Punch Powertrain is an independent supplier of powertrains with over 45 years of experience in development and industrialization. The company has started with CVTs and in recent years expanded its portfolio with DCTs, Hybrid and Electric Powertrains. This JV enables Punch Powertrain to accelerate its electrification rate and to faster scale up its production of Electric Powertrains.
- **Faster move to electrification** In the past years Punch Powertrain has successfully been implementing its expansion strategy by expanding its product portfolio and establishing a broader customer base on the global market. According to Punch Powertrain's business intelligence, the move towards New Energy vehicles will happen a lot faster than generally assumed by the ICE-minded automotive community. The company has been taking big steps towards cleaner and electrified drive systems for years, by development of Hybrid and fully Electric Powertrains. In mass production of its first Electric Powertrain, the company sees a materialization of its strategy.

Punch Powertrain

