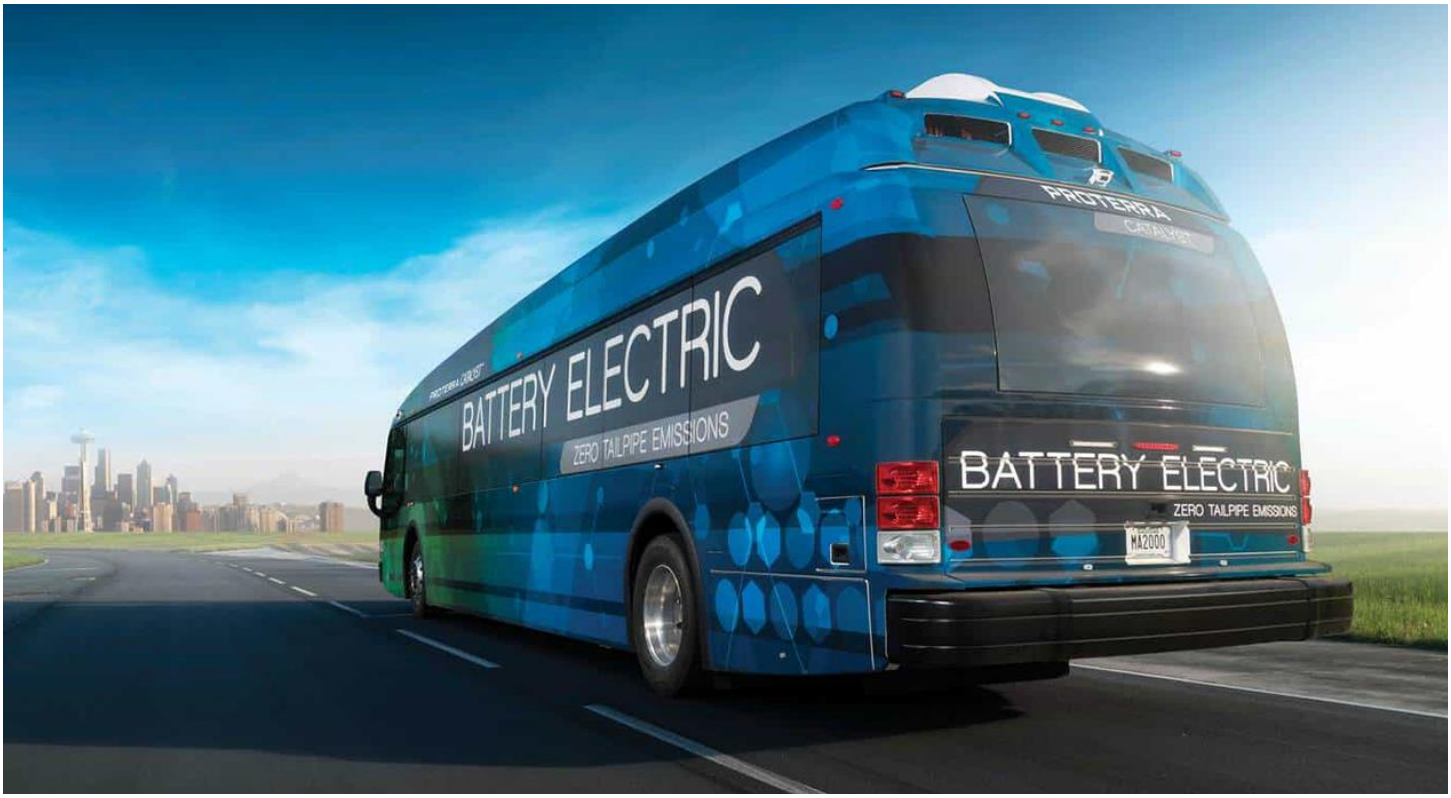
PROTERRA



Proterra Partner's Guide

SQ-WI-001

Revision 7 – July 12, 2023

Summary of Changes – July 17, 2019

3.11 General Workmanship Expectations
3.12 Calibrations, tool, torque and gages
3.13 Torque Marking requirement

Summary of Changes – February 10, 2020

1.3 Proterra Quality and Environmental Policy
1.5 Quality Requirements and Expectations
2.2 Certification
2.3 Sub-Partner Requirements
2.4 Automotive Industry Standards and PROTERRA Requirements
3.1 Partner Assessment
3.2 Risk Mitigation
3.3 Preventive Partner Management
3.6 Advanced Product Quality Planning (APQP) and Production Part Approval Process (PPAP)

Summary of Changes – July 21, 2020

1.5 Quality Requirements and Expectations - Table 1
1.5 Added clause about "Part Families" to section
1.5 Added Certificate of Conformance (CoC) Requirement
3.6 Updated New Product Delivery Tag
Appendix A: Certificate of Conformance (CoC) definition added

Summary of Changes – June 1st, 2021

1.1 Purpose – Added reference to PO's
1.5 Quality Requirements and Expectations – Changed APQP Terminology and phases.
1.6 Development Purchase Orders (DEV PO) – Added this section.
3.5 Parts Delivered Prior to Production Release – Added Part Tag Req.
3.7 Nonconforming Material – Updated Containment requirements and Cost of Quality
3.9 Reactive Partner Support – Added to Red Day Definition
Table 1: Qualification Class (SQ-WI-009)

Summary of Changes – February 23rd, 2022

1.4 Quality Objectives – Added ISO, and timely resolution of confirmed defect requirements
1.5 Quality Requirements and Expectations – Reworded section
1.7 Change Control – Section Added
2.4 Automotive industry Standards and Proterra Requirements – updated to recommended
3.6 APQP and PPAP – Added verbiage about temporary PSW, updated form information
3.7 Nonconforming Material – Updated Containment requirements and Cost of Quality

3.7 Nonconforming Material – Updated SDR requirements
3.7 Nonconforming Material – Added RMA RTV Process Map

Summary of Changes – Oct 28, 2022

Note Supplier name has changed to Partner

Added Vision and Goals
1.21 Responsibility
1.22 Document Location
1.35 Global Quality Assurance Agreement
1.40 Global
1.50 Document Location
1.6 End of Life
2.0 Business Ethics
2.1 Human Rights
2.2 Proterra Corporation Partner Code of Conduct – new description
2.3 Confidentiality and NDA - Added
3.3 Launch Process
A. Proterra responsibilities for PPAP
B. Critical Characteristics
3.5 Development Purchase Orders (DEV PO) Change location
3.6 Prototype Fabrication, Quality Evaluation, Pre-Production Process Changes
3.7 Product Quality Planning
3.8 Review Meeting
3.9 Partner Responsible Run at Rate
3.10 Change Control - Location Change and added
A. Unauthorized Changes
B. Change Control Management
3.11 Partner Notification of Change to Proterra
3.12 Annual Revalidation
4.0 Quality Management Requirements -Moved Location
4.1 Contact for Information Moved Location
4.2 Certification Moved Location
4.3 Sub Partner requirements Moved Location
4.4 Automotive Industry Standards and Proterra Requirements
5.0 Partner Quality Processes – Change Location
5.1 Partner Assessments – Change Location
5.2 Risk Mitigation – Change Location
5.3 Checking Fixtures and Gages – Change Location
5.4 Packaging and Labeling
5.5 Parts delivered prior to Production Release Changed Location
5.6 Traceability
5.7 Record Retention
5.8 Nonconforming Material – Change Location

5.9 Inspection/Rejection Process – Change Location
5.10 Partner Chargebacks (Cost of Quality)
5.11 Supplier Quality/Development
5.12 Supplier Deviation Request - Changed Location
5.13 Return to Vendor- RTV -Changed Location
5.14 Warranty Process -Changed Location
5.15 Recall Process -Changed Location
6.0 Partner Evaluation- Quality Specific Changed Location
6.1 Partner Scorecard
6.10 Partner Quality Scorecard Criteria (SOU-WI-004) -Changed Location
6.3 Proterra Property Tools
6.4 Tooling Requirements
6.5 Continuous Improvement – Changed Location
6.6 Partner Facility Access – Changed Location
6.7 Contingency Plan
6.8 Document and Product Sampling Plan- Changed Location
6.9 Reactive Partner Support
6.10 Partner Audit – Changed Location
6.11 Partner Paid Receiving Inspection – Changed Location
6.12 Partner Red Day Performance Improvement Plan – Changed Location
6.13 Partner No New Business – Changed Location
6.14 General Workmanship Expectations – Changed Location
6.15 Calibrations, Tool, Torque and Gauges - Changed Location
6.16 Torque Marking Requirement – Changed Location
6.17 Exiting Partners Changed Location
6.18 Gifts, Gratuities and Hospitality – Change Location
6.19 Monitoring and Compliance
6.20 Proterra Commitment Human Rights, Promotion and Trafficking Plan – Changed Location
6.21Conflict Materials Plan
7.0 Proterra Commitment – Changed Location

Summary of Changes – 4/23/2023

5.10 Partner Chargebacks (Cost of Quality)

Summary of Changes – 6/15/2023

5.6 Packaging and Labeling – Added new Spec SQ-PRO-003 (Proterra Vendor AIAG Labeling Guide) and modified SQ-WI-008 (Packaging Requirements) to exclude labeling.
5.10 Partner Chargebacks (Cost of Quality) – Line Down Fee and Field Service Fee
Appendix: Added Partner Signature Line

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Proterra Partner's Guide

Proterra Operating Inc. and its affiliates (collectively, "Proterra) is convinced that Customer Focused Success depends on a very strong partnership with our suppliers, service providers, consultants, and other business which we work with (each, a "Partner") based on trust and open communication. Proterra has a goal of maintaining long-term partnerships with its Partners. Together, we must take responsibility for the future of this industry. Purposeful and efficient collaboration between Proterra and our Partners will allow us to overcome challenges, achieve top performance and achieve end customer delight.

Proterra is committed to the guiding idea of "Commitment to Excellence," and achieving top performance through outstanding teamwork with our Partners.

Passion, Respect, Integrity, and Discipline: these four values form the core of the daily work at Proterra and are the basis of our successful, long-term working relationship with our Partners.

Vison & Goal

It is the goal of Proterra to develop relationships with our Partners ("Partners") as part of the total supply chain that emphasizes continual improvement in quality, service, delivery, cost, and support by ensuring that Proterra requirements are accurately specified, communicated, and understood.

It is the vision of Proterra that Partners shall strive to:

Do it Right the First Time by planning, preparing, and being trained to supply quality products and services.

Do it Right Every Time by ensuring consistent quality products and Continually Improve by proactively improving the quality and value of products and services

TABLE OF CONTENTS

1.0 INTRODUCTION

1.1 Purpose

The purpose of the Proterra Partner's Guide is to create a standard and common level of understanding between Proterra and its Partners. This element is critical to meeting and exceeding our customer's expectations. The foremost objective of the guide is to communicate to our Partners the Proterra quality requirements. It covers the most important quality-related processes and methods, from product creation to product performance, and identifies the allocation of tasks and responsibilities between Proterra and its Partners. The Partner's Guide is incorporated in the standard terms and conditions of all purchase orders.

1.2 Scope

The Partner's Guide applies to all providers of parts and materials, tooling, and services to all Proterra Products, Services, Equipment and Infrastructure including Service parts. This guide, and related policies and procedures provides the important quality requirements.

1.3 Responsibilities

Partners must maintain a comprehensive quality system to ensure compliance with the requirements of this manual, the applicable contract, and all other legal requirements, rules, and regulations. This manual explains Proterra's expectations as well as the process Proterra will follow to assess the capability and performance of each Partner.

1.4 Proterra Quality and Environmental Policy

Safety, Quality, and the Environment are integral elements of Proterra's Business Principles. They are the core of our beliefs and values. They are at the heart of how we add value to the world. At Proterra, our commitment is to never compromise on the safety, compliance and quality of our products and services and to protect the environment in our daily activities. It requires everyone to be engaged, to understand our responsibilities and to be empowered to act to live up to these principles.

Proterra's Quality and Environmental Policy is:

- Foster a customer-oriented quality mindset with the objective of developing, manufacturing and delivering products and services with Zero Defects
- Drive an Environmental Management System that is consistent with our Zero Emissions objectives and to prevent pollution, minimize waste, recycle materials and utilize materials efficiently wherever effective throughout the company
- Comply with all relevant laws and regulations
- Commit to continuously improve the Quality and Environmental Management Systems by focusing on our key principles of Safety, Quality and the Environment
- Encourage participation of all our associates, Partners, business Partners and Customers in the improvement of quality and the environment

To achieve this policy, Proterra is committed to establish and maintain an effective Quality Management System (QMS) as well as an Environmental Management System (EMS) conforming to the requirements of ISO 9001:2015 and ISO 14001:2015, respectively.

To ensure that Proterra fully meets these policies and objectives, the effectiveness of the Quality and Environmental Management Systems are subject to regular review by Proterra Executive management.

The Proterra Policies are accessible to interested parties through our website.

1.5 Partner's Guide Acknowledgement

Proterra shall request its Partners to acknowledge receipt, reading and understanding of the Partner's Guide at any given time through appropriate channels. By signing it, the Partner acknowledges that they have read, fully understand their obligations and will comply with all requirements as stipulated in this Proterra Partner's Guide.

1.6 Document Location and Updates

This Proterra Partner's Guide is "distributed" by the posting on the Proterra public website at https://www.Proterra.com/resources/suppliers/ and it may be updated from time to time. Printed copies are uncontrolled documents. While Proterra will communicate to the Partners major revisions to this guide, the Partners are expected to remain up to date on Proterra requirements by frequently visiting the Proterra website. Visiting this website should become a business routine as Proterra shifts to web-based communications and applications. Questions regarding this guide should be directed to the Proterra contacts listed on the Proterra website.

Forms and documents referenced throughout this document can be found at the same website above.

1.7 End-of-Life Vehicle (ELV)/International Material Data System (IMDS) Reporting

The End-of-Life Vehicle (ELV) Directive, 2000/53/EC, was enacted by the European Commission "to minimize the impact of end-of-life vehicles on the environment." The use of lead, mercury, cadmium, and hexavalent chromium are prohibited in vehicles and their components, except for certain exemptions published in Annex II of the Directive. This is a mandated requirement for European Union (EU) Member States and also required by North American, and some Japanese, vehicle manufacturers.

Additionally, other legal requirements, such as EU Directives 2002/95/EC (RoHS), 2002/96/EC, and 2003/11/EC, REACH, CDP, PROP 65, Waste Management, WEEE, for instance restrict the use of certain flame-retardant substances: polybrominated biphenyls (PBBs) and polybrominated diphenyl ethers (PBDEs), PBBs or PBDEs shall not be present in components or materials supplied to Proterra.

Partners in all regions shall ensure that all components and materials supplied to any Proterra facility comply with the above-mentioned legal requirements.

2.0 Business Ethics

2.1 Human Rights

Proterra expects each Partner to support and respect protection of internationally proclaimed human rights. Each Partner must ensure it is not complicit in human rights abuse, including but not limited to any form of forced, compulsory or child labor nor any form of human trafficking or procurement of commercial sex acts is tolerated. Please report any violation of this kind by Proterra or its Partners to the Chief People Officer/Human Resources, the Chief Financial Officer, or through the Corporate Ethics hotline:

- Calling Proterra's compliance hotline at **844-406-1635**, or
- Submitting a report online by following the instructions at http://Proterra.ethicspoint.com

2.2 Proterra Partner Code of Conduct

Proterra is fully committed to promoting honest, ethical, and legally compliant business practices to pave the road towards clean transportation and sustainable energy solutions for all. Proterra recognizes that achievement of these core values requires the active participation of many other links in the global supply chain, including Proterra's Partners, service providers, consultants, and contractors (each, a "Partner").

Accordingly, the Proterra Partner Code of Conduct (the "Partner Code") sets forth various performance standards that a Partner must meet or exceed as a condition of doing business with Proterra. By entering into any transaction with Proterra, or by providing any goods or services to Proterra, Partner acknowledges and agrees that it will comply with the spirit of the Partner Code, as amended by Proterra from time to time.

The latest version of Proterra Partner code can be found at https://www.Proterra.com/resources/suppliers/

2.2.1 Monitoring and Compliance

Partners shall conduct periodic internal reviews to ensure compliance with this Partner Code of Conduct and its applicable requirements. Proterra or its designated representatives may engage in periodic monitoring activities to confirm Partners' compliance with this Partner Code of Conduct, including on-site inspections of facilities, use of questionnaires, review of publicly available information, or other measures necessary to assess Partner performance and compliance. The Partner performance assessment will be used as a factor in the selection of bidders or restrict Partner access to new Proterra business opportunities. Proterra will also employ third party monitoring services to ensure Partners remain in tolerance of regulatory and statutory requirements.

Partners are responsible for ensuring that the standards and requirements of this Code are communicated and understood by their personnel working on or in support of Proterra projects, jobs, contracts, agreements and orders. Partners will be held responsible for the conduct and actions of their employees.

The implementation of this Policy is a shared responsibility between Proterra and its Partners.

2.3 Confidentiality and Non-Disclosure Agreements (NDA)

All non-public information shared with suppliers is considered confidential. Disclosure of any confidential material, outside Proterra, will be considered grounds for immediate supplier dismissal and may result in Proterra pursuing available legal remedies.

All Partners are expected to sign and comply with a binding Non-Disclosure Agreement (NDA) when requested by Proterra.

Partners shall not encourage or utilize current or former Proterra employees to disclose or provide any confidential, proprietary, or other restricted business information obtained while in Proterra's service to influence Proterra's existing or proposed commercial transactions for the purpose of gaining a commercial advantage or to otherwise damage Proterra's interests. Proterra will take the necessary measures to detect any such improper business practices and will take appropriate action against current or former employees and Partners who violate these restrictions, including, without limitation, termination of any agreement with a Partner. Partners are expected to cooperate with Proterra investigations and provide reasonable assistance as requested.

2.4 Proterra Commitment to Human Rights Promotion and Trafficking Prevention Plan

Proterra's Supply Chain group will:

Through Proterra's Partner terms and conditions and Human Trafficking Prevention certification, support an awareness program to inform Partner employees about:

- The US Government's zero-tolerance policy regarding trafficking in persons;
- The trafficking-related activities in which the Partner is prohibited from engaging; and
- The actions that will be taken against employees for violations.
- Use the certification program to identify and prevent Partner and sub-Partners at any tier from engaging in trafficking in persons, and to monitor, detect, and terminate any agents, subcontractors or subcontractor employees that have engaged in such activities.

Proterra's Human Resources will:

- Support the reporting mechanism contained in the Proterra Human Rights Policy found in the employee handbook.
- Provide a recruiting and wage plan that only permits the use of recruitment companies with trained employees, prohibits charging recruitment fees to the employee, and ensures that wages meet applicable host country legal requirements or explains any variance.
- Provide a housing plan, if the contractor intends to provide or arrange housing that ensures that the housing meets host country housing and safety standards or explains the variance.
- Support and maintain the Proterra human resource policies supporting the prevention of human trafficking, including the requirements described in 78 FR 59317-59325.

2.5 Gifts, Gratuities and Hospitality

Partners and their personnel shall not offer or provide Proterra or its personnel with gifts, gratuities or hospitality unless it involves nominal value and is in line with customary business practices. Nominal gifts are described as gifts of a general nature having a low value, including such items as logo inscribed pens, caps, shirts and coffee mugs. Customary business practice in terms of hospitality would include

the acceptance or reasonable business entertainment and business meals. Gifts, gratuities and hospitality offered or extended by Partners to Proterra personnel which exceed nominal value or reasonable hospitality are reportable under internal Proterra policies and regulations.

For the avoidance of any doubt, Proterra pays for its employees' business expenses. Accordingly, Partners are not required or requested to incur or reimburse business expenses for Proterra employees.

Employment of Partners, Customers, or Service Providers
Proterra has high expectations of how our Partners, customers, and service providers do business with us. Therefore, neither Proterra nor Partners will directly solicit or attempt to hire any individual who is employed by the other party in violation of any contractual or other obligation of non-solicitation.

2.6 Proterra Commitment
Proterra is committed to develop long-standing relationships with its Partners and together achieve results that meet and exceed customer's needs.

3.0 PARTNER QUALITY REQUIREMENTS

3.1 Quality Objectives
Proterra's primary objective is to lead the industry in all facets of Brand Quality
To achieve high-quality and innovative products as well as to meet the expectations of our customers, Proterra has set measurable quality objectives.

These objectives are:
- Products meet or exceed customer's expectations and Proterra requirements for Quality, Delivery, Cost, Cash, Technical feedback and Ease of doing business as reported in the Proterra Partner Scorecard Procedure (SOU-W1);
- Preventive quality methods are in place to assure any potential issues are identified and eliminated in advance;
- Responsibilities and roles concerning operations are fully understood throughout Proterra's
- supply chain;
- Zero Defect Mentality with an emphasis on Error Proofing in the Partner sites;
- Partner ownership of quality by continuously improving product quality through process improvement;
- Timely communication, as well as consistent information flow and clear agreements on change management;
- All relevant Partners complete their tasks with professionalism and integrity in the agreed timeline;
- ISO 9001:2015 Certified, IAFT 16949:2016 or Compliant Partner Base;
- Timely resolution of confirmed defects impacting production.

3.2 Quality Requirements and Expectations

Advanced Product Quality Planning (APQP) and Production Part Approval Process (PPAP)
The purpose of APQP and PPAP is to ensure that all Proterra requirements are thoroughly understood by Partners and manufacturing processes in the production environment can produce parts that consistently meet Proterra defined requirements.

PPAP is for the benefit of the Partners. Solid up-front planning prevents defects from flowing to Proterra and our customers. When properly executed, APQP and PPAP increases Partner profits and brand image because first time yields improve, capacity utilization improves, the cost of quality improves, and defects are prevented.

Additional PPAP requirement details can be found here in this Guide and under "Proterra APQP_PPAP Requirements" document, located at the Proterra Partner's website as detailed on section 1.6. It is the Partners responsibility to notify Proterra Purchasing and Supplier Quality (SQ) representative of any associated PPAP costs.

3.3 Proterra Launch Process

As stated previously, regardless of component/material complexity, every Partner is expected to conduct and execute an APQP process. Partners that wish to use reporting formats other than those defined in this document must obtain written pre-approval from the specific Proterra Purchasing Manager.

Determination of manufacturing feasibility and/or Partner capacity may be required for every new or modified product design or manufacturing process based on engineering changes. These analyses are done just after the Request for Quotation (RFQ) has been accepted and prior to any commitment for facilities or tool development.

3.4 Part Qualification

Proterra's qualification process is by part and broken into 2 phases:

- Phase 1 is First Piece(s) Qualification
- Phase 2 is a Production Parts Approval Process.

Proterra uses a four-tier classification system to determine the level of Advanced Product Quality Planning (APQP) and Production Part Approval Process (PPAP) documentation required for each part provided by our Partners. "Qualification Class" is subjective and determined jointly by Supplier Quality Engineering and Design Engineering. Qualification Class is based on two factors:

- Risk to the safe operation, performance, or reliability of the end product (or system) if a failure occurs.
- Part and/or Manufacturing Process Complexity

Qualification Requirements shall be relayed by the Proterra Purchasing Team or Supplier Quality Team to the Partner. Requirements shall come via the "Proterra PPAP_Requirements SQ-WI-009" Form. In some cases, Proterra will use "Part Families" to qualify groups of similar parts that share similar manufacturing processes and part characteristics. If Partner feels qualification using part families is applicable, please

reach out to the qualification team to adjust the requirements. Proterra reserves the right to retroactively group previously supplied parts into "Part Families" to document that qualification requirements have been met.

Table 1: Qualification Class (SQ-WI-009)

		First Piece(s) Qualification: FPQ	Production Parts Approval Process: PPAP		
Class	Definition	**Phase 1:** 1st Part(s) Received	**Phase 2:** Production	Qualification Team	Examples:
A	*Parts in this category pose a High risk to the safe operation, performance, or reliability of the end product or system if a failure occurs. *Part and/or manufacturing process is Technologically Advanced and/or has complex and precise; assembly, testing requirements.	*Proterra Fit Test and/or Dimensional Test - As needed by Qualification Team *FMEA *Control Plan *FAI *Pre-release PSW	*Proterra PPAP (SQ-WI-009) (Defined by Qualification Team) *Exceptions must be identified Per Proterra PPAP Checklist and approved by qualification team. *PPAP PSW Submission Prior to Shipping	*Supplier Quality Engineer *Design Engineer *Manufacturing Engineer (As Needed)	*Motors *Inverters *Gearbox/Transmissions *Bus Bodies *High Voltage Harnesses *Doors *Chargers *Suspension Plate/Brackets *Prodrive/DuoPower Motor *Mounts/Cages *Break Systems
B	*Parts in this category pose a Medium risk to the safe operation, performance, or reliability of the end product or system if a failure occurs. * Part and/or manufacturing process is Technologically challenging as determined by the qualification team (Complex design, complex assembly by supplier, critical to fitment and/or critical to bus functionality.)	*Proterra Fit Test and/or Dimensional Test - As needed by Qualification Team *FMEA *Control Plan *FAI *Pre-release PSW	*Proterra Limited PPAP (SQ-WI-009) (Defined by Qualification Team) *Exceptions must be identified Per Proterra PPAP Checklist and approved by qualification team. *PPAP PSW Submission Prior to Shipping	*Supplier Quality Engineer *Design Engineer *Manufacturing Engineer (As Needed)	*Metal Fabrications *High Voltage Bus Bars *Low Voltage Harnesses *Coolant Tubes/Hoses *Seats
C	*Parts in this category pose a Low risk to the safe operation, performance, or reliability of the end product or system if a failure occurs. *Part is typically designed in collaboration with Proterra Engineering and Typically have Industry Standards governing quality	*Proterra Fit Test and/or Dimensional Test - As needed by Qualification Team *FAI	*PSW Submitted	*Supplier Quality Engineer	*Sheet Metal Products *Non Safety - Critical Metal Fab *Simple Plastics Proterra Designed Electronics
D	*Parts in this category pose a Low to No risk to the safe operation, performance, or reliability of the end product or system if a failure occurs. *Parts may be catalog items or "Off the Shelf" *Cost of qualification or cost to risk of failure is greater then the part value *Part is manufactured using conventional processes and may be controlled by industry standards	*Proterra Fit Test and/or Dimensional Test - As needed by Qualification Team	*CoC Upon SQE Request	*No Approvals Required	*Hardware (Fasteners, Bolts, Washers, Fittings) *Gaskets
*Exceptions to Proterra PPAP Submittal Requirements can be made by Qualification Team *Critical Sub-Tier suppliers shall be held to same qualification requirements at Tier 1 Suppliers					

A part qualification may be deemed unnecessary and coined "Grandfathered" under one or more of the following conditions.

1) The part was released by Proterra prior to December 2018 and was evaluated by Proterra Supplier Quality as "Grandfathered" during September 2020 data clean-up.
2) The Partner can provide proof of consistently delivering parts without defects on multiple purchase orders.
3) The part and manufacturing process are deemed "Similar To" a previously qualified part by the same Partner. Note: "Similar Too" is a subjective process in which Proterra Supplier Quality and Design Engineering determine if the previously supplied part shares enough commonality to the new part AND the Partner will be using the same manufacturing process. In some cases, "Part Families" are used to further define commonality.

Unless otherwise instructed by the qualification team, Partner shall comply with all of the requirements in the following documents:

1) Purchase Order
2) Partner's Guide SQ-WI-001
3) Proterra PPAP_Requirements SQ-WI-009
4) 3D Models
5) 2D Drawings/Prints
6) Engineering Specifications

Components and parts delivered to Proterra must meet all specified requirements of the current Proterra Purchase Order, Partner's Guide, PPAP requirements, 3D Model, 2D Drawings/Prints, Engineering Specifications and are verified prior to shipment. Partner shall supply a Certificate of Conformance (CoC) with each shipment or provide upon request for any specified shipment. ***It is the Partner's responsibility to request any Engineering Specifications***. PPAP Process Capability Requirements (CpK) shall be identified (if required) in the Qualification Requirements document "Proterra PPAP_Requirements SQ-WI-009",

3.4.1 PPAP status

Partial/Interim/Conditional PPAP Approval may be granted when:

- Production volume does not allow for full PPAP Conditions to be met;
- An open ECO or ECR is preventing final part definition;
- Production demand schedule and shipping needs prevent full execution of PPAP requirements.

Partial/Interim/Conditional PPAP Approval is temporary and shall be communicated via signed Part Submission Warrant (PSW) by Proterra SQE.

A part will receive Full PPAP Approval when:

- The requirements of Proterra PPAP Requirements SQ-WI-009 have been met.
- All fit issues have been resolved
- All Non-Conformances have been addressed.

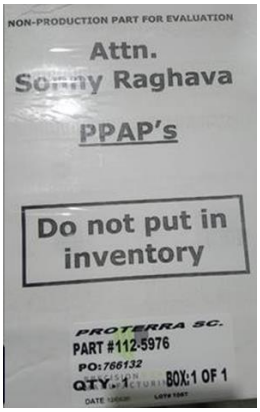
PPAPs shall be submitted for the requested elements and in accordance with the instructions provided in Proterra PPAP_Requirements SQ-WI-009. Proterra may audit Partner's PPAP records at any time. Partners are expected to forward those PPAP documents as soon as requested by Proterra. ALL PPAP's must be approved by the Qualification Team referenced in Table 1.

In addition to complying with the other change provisions contained in this Partner's Guide, Partners are required to submit a Product/Process Change Notification (PPCN) to Proterra Supplier Quality for any Partner-initiated design or process changes. Supplier Quality will review the change and determine the need for PPAP submission. Un-approved Partner process changes or part changes resulting in Non-Conformances will result in a drop in Partner Performance Index and a Cost of Quality Charge back.

When submitting a dimensional report (Partner must include a bubbled Proterra drawing with numbering that corresponds to the items listed on the dimensional report.

DO NOT SHIP UNTIL THE FOLLOWING STEPS ARE COMPLETED

1. All PPAP parts shipped to Proterra must be 100% inspected (all parts, all features, and notes); electronic components must be functionally tested.)
2. Records of the required inspection described above must be maintained by Partner and be made available to Proterra Supplier Quality upon request.
3. If parts do not conform to the specification, contact Proterra Supplier Quality prior to shipping.
4. Label the exterior of the package/container using the "New Product Delivery Tag" SQ-FORM-006 or found in SQ-WI-009, with a sheet of 8.5 X 11" heavy bond white paper. This will indicate that the parts conform to print.
   - Parts that are submitted without full PPAP approval should be contained in their own shipment or in an entirely different package/container than other parts. They should be easily identifiable.
   - The label should adhere very well to the package/container so that it is not lost during transportation. If the package is received with no label, the parts will be rejected.
   - If the part is also a sample part, label the exterior of the package/container as: "ATTN. [SQE Name] - PPAP's - DO NOT PUT IN INVENTORY" See example below.



3.4.2 Partner Responsibilities for Proterra PPAP

- Send all requested PPAP submissions as instructed by the specified due date;
- If a part does not meet all specifications, do not submit PPAP until an approved Partner Deviation Request is received from Proterra Engineering. Include deviation with PPAP submission;
- PPAP format shall be submitted electronically via the Proterra PPAP Manager Portal, Contact SQE for exceptions;
- Allow a minimum 10 business days for disposition of PPAP;
- Note any discrepancies from Proterra specifications, any problems discovered during PPAP, and/or incomplete documentation on the Part Submission Warrant (PSW) and in the notes section of Proterra PPAP_Requirements SQ-WI-009;
- PPAP sample parts must be labeled correctly and accompanied by Dimensional Results (Electronically) and marked-up Proterra print;
- Notify the responsible Supplier Quality Engineer (SQE) of any changes (e.g. process, plant location, sub-Partner) via the PPCN form (Process Part Change Notification);
- Retain documentation for the greater of:
    - 12 years;
    - The life of the program plus six years.

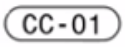
3.4.3 Proterra Responsibilities for PPAP

- SQE to communicate PPAP requirements to Partner as soon as available;
- SQE to support questions related to development throughout part manufacturing cycle;
- SQE reviews PPAP submissions and PPCNs;
- Notify Partners of PPAP Approval status and send signed Part Submission Warrant upon completion;
- Review and/or audit Partner PPAPs at any time. Review to include any or all of the following items:
    - Process Flow Diagram
    - Failure Mode and Effect Analysis (FMEA)
    - Process Failure Mode and Effect Analysis (PFMEA)
    - Measurement System Analysis (MSA)
    - Control Plan
    - Process Capability Study (Cp,Cpk)
    - Parts Submission Warrant (PSW)
    - Appearance Approval

3.4.4 Annual Revalidation

All Partners should annually revalidate their respective active production components and be able to provide the results to Proterra within 48 hours of the request. Revalidation submission requirements are a product line- specific criteria based on Partner performance and PPAP process flow. Partners should compile revalidations and document this requirement in the Production Control Plan for all parts supplied regardless of the product line/region. Those features/characteristics/notes that will be part of the revalidation package need to be designated such at the time of initial PPAP. Proterra should review changes to the revalidation package content before any changes are made. If production components have not been supplied to Proterra for two years or longer, the parts must be recertified by the PPAP process. Safety-related components may require PPAP after one year of idle production.

3.4.5 Key Characteristics

Critical Characteristic ("CC") 

Denotes Critical Characteristic relative to *Safety or Regulatory Compliance*. **Significant Characteristic ("SC")** 

Denotes Significant Characteristic relative to *Quality, Design, or Process*. CCs and SCs shall be measured on 100% of all parts produced, submitted for review during the part PPAP process, and made available upon request by Proterra during ongoing production. Critical and Significant Characteristics may be considered for a sampling audit plan after successfully meeting a CpK of 1.67 or 1.33 respectively and by written approval by Proterra Supplier Quality Engineering Team.

An embolden rev letter in an octagonal balloon 

is near or attached with a leader to represent revision changes. In some cases flagged notes may be represented as 

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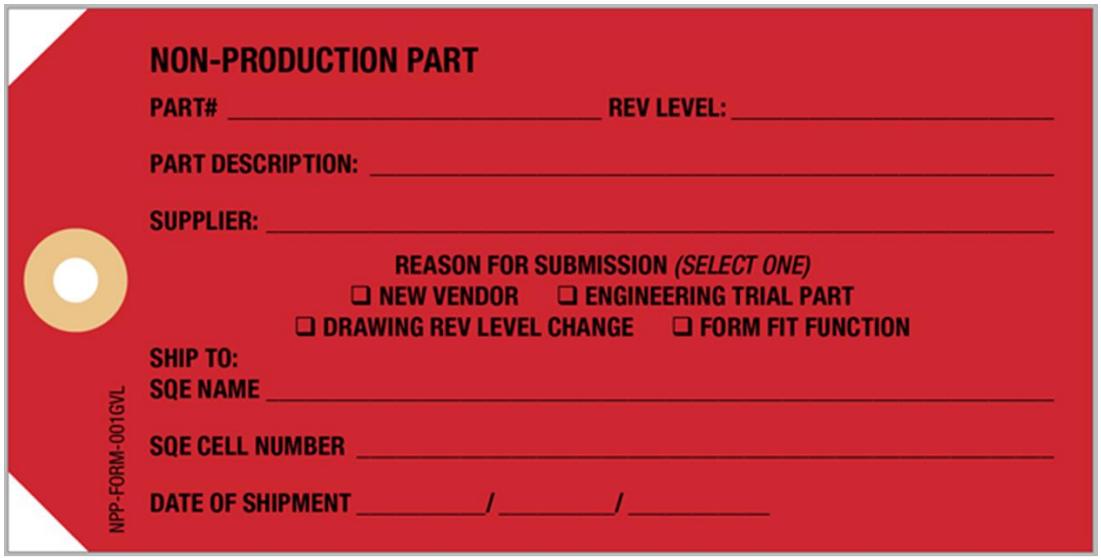
3.4.6 Parts Delivered Prior to Production Release

All prototypes and sample parts delivered to Corporate locations must conform and be verified to the requirements established at that phase of the project.

Parts shipped to Proterra plants prior to production release must be, at a minimum, inspected against the Proterra drawing and shipped per the Exception Conditions. Any deviation(s) from the drawings/specifications needs to be approved by Proterra Engineering via Supplier Deviation Request. Contact Supplier Quality if support is needed.

Parts shipping prior to Production PPAP approval must have packaging labeled using the New Product Delivery Tag (SQ-FORM-006). If parts are purchased using a "Development PO" (see next section), each part must have a development tag attached to it. Reach out to Supplier Quality or Purchasing for the tag below.



3.5 Development Purchase Orders (DEV PO)

Parts may be ordered on Development Purchase Orders ("DEV PO"). DEV POs trigger incoming parts to be routed for inspection at Proterra. DEV POs may trigger PPAP activity. PPAP activity is not exclusive to DEV POs.

3.6 Prototype Fabrication, Quality Evaluation, Pre-Production Process Changes

For the fabrication of prototype or pre-production parts, Partners shall follow the planned production process as closely as feasible. For these prototypes, Proterra may require that the Partners provide a prototype control plan along with material, dimensional, performance, and/or process data. If the prototype and production Partners are different, the prototype Partner shall share with the production Partner the process knowledge gathered in prototype fabrication. Proprietary information may be withheld by prior agreement with Proterra.

Once a Partner starts providing parts as part of the process development and validation stage, any changes to the process requires notification to Proterra of those changes via a Product/Process Change Notification (SQ Form 012). These changes may include:

- Third-party sub-Partners, sub-contractors,
- Addition/deletion of capital equipment,
- Tooling and/or gages, (Please refer to PO for term on Tooling)
- Manufacturing methodology, and
- Internal secondary processing.

Partners supplying prototype parts shall respond to material concerns when requested by Proterra. Partners shall identify Key Control Characteristics ("KCC") critical to part quality. The Partner will retain the prototype tooling at their facility.

3.7 Product Quality Planning

Partner shall develop a quality plan per a defined program and provide an organization chart noting the team working on the program.

During the launch of the defined program the Partner will submit a weekly (unless otherwise agreed) status report that corresponds to the launch of the program.

3.8 Review Meeting

Proterra will establish a meeting cadence with the Partner to follow up on quality planning activities and to ensure all potential issues are noted (with a resolve date) to ensure program timing.

3.9 Partner Responsibility - Run at Rate

All equipment must be documented and verified at peak capacity rate. Equipment and tooling must be de-bugged and an in-house validation of the process be completed.
Process capability, operator instruction must be present in the work area or operator station if possible.
Complete Initial Run at rate form based on award of business (to include total hours needed to produce parts including OEE and scrap. Complete formal run at rate 2 months prior to SOP. Run at rate form will be based on the following:

A. Total daily hours the Partner uses for production in their facility
B. Total hours required by other customers on the production line if capital equipment is being used
C. If the run at rate fails -A documented recovery plan will be required and approved by Proterra
D. Partners must have a run at rate for their tiered Partners that is reflective of Proterra's requirement.
E. The Run at rate will be conducted by a Proterra SQE .

3.10 Change Control

Any product, process, or supply chain change shall be communicated to Proterra and approved prior to incorporation. Changes should be submitted via a Product Process Change Notification (SQ Form 012)

3.10.1 Unauthorized Change

In Cases where a partner has implemented an ***unauthorized change*** or has failed to deliver contracted products in accordance with the specifications and terms of the Proterra PO, all cost incurred by Proterra or its customers due to non-conforming products will be the sole responsibility of the Partner.

3.10.2 Change Management Process

Recognizing that managing change is of critical importance, partners are expected to have a robust ***change management process*** in place that supports Proterra requirements. At a minimum a change approval must be obtained from Proterra for any changes /deviations related to:

A. Design
B. Product Performance
C. Materials Processes/Tools
D. Manufacturing locations

3.10.3 Temporary Changes

Partners must complete and submit a Supplier Deviation Request to the appropriate Proterra Supplier Quality Engineering representative for review and approval for any change or deviation that is intended to be temporary.

3.10.4 Permanent Changes

Partners seeking permanent changes to product design, performance or processing shall complete and submit a Supplier Product Process Change Notification (PPCN) to the appropriate Proterra representative for review and approval

- The form should include all relevant information;
- Proterra may approve, reject or apply conditions of approval to the PPCN.

Approval of the PPCN does not authorize the Partner to ship, it only authorizes the partner to proceed with the coordination of PPAP/FAI submission.

The Partner shall not:

- Implement changes before receiving full PPAP/FAI approval;
- Ship product until satisfying all PPAP/FAI requirements;
- Ship prior to the implementation date established with the Proterra materials group;

3.11 Partner Notification of Change to Proterra

Partners to Proterra are expected to implement standard work in their factories and to execute with discipline to the agreed production plans. It is also recognized that continuous improvement is needed, and continuous improvement comes from change. Proterra wants to be a partner with the supply chain and is willing to help with the proper evaluation of production changes.

Partners need to notify the Proterra SQE of any changes via the Product/Process Change Notification (PPCN), SQ-FORM-020 Partner Product Process Change Notification.

3.12 Part Marking

Proterra specifies part marking requirements on individual prints in the notes section and has two part marking specifications; 136-0283 and D28 "Part Marking Standard", both of which can be found on the Proterra Supplier Portal (see section 1.7 of this Guide).

If part marking is not defined on the print, please reach out to your Supplier Quality Engineer for further definition and refer to the statement below. Part marking shall be submitted with the Appearance Approval Report during PPAP submittal.

If no part marking requirements are called out on the print at minimum the parts must contain:

1. The Suppliers' Vendor Identification Number (as assigned by Proterra Inc)
2. Proterra part number and revision level
3. Date of Manufacture
4. Serial Number if required

4.0 QUALITY MANAGEMENT REQUIREMENTS

4.1 Contact Information and Proterra

Partners are responsible for providing Proterra Supplier Quality with necessary contact information for their Quality Department(s). Proterra Purchasing will furnish Partners with contact information for the Proterra PPAP Coordinator from whom they can request the following:

- Partner Assessment Form "SQ-WI-010" to be completed and returned to the Proterra Supplier Quality Engineer
- Instructions for access to The Arena NCR System for selected Partners "SQ-WI-007".

4.2 Certification

Proterra strongly recommends its Partners to maintain a Quality Management System ("QMS") based on the current version of ISO 9001 at a minimum. Proterra wants to work with quality minded Partners who have a solid QMS and the Partners conform with disciplined execution to their QMS. Proterra is a Green Company and it is recommended that Proterra Partners be ISO 14001 certified or work towards this certification, as this will become a requirement in the future.

Some of Proterra's customers require sub-tier Partners to be IATF 16949 Certified, and in those instances, Partner shall comply with those requirements.

4.3 Sub-Partner Requirements

We encourage our Partners to have lower tier suppliers that maintain a management system in accordance with ISO 9001:2015, as a minimum. Partner shall provide all supporting documents and information necessary for Proterra to verify the capabilities of any lower tier suppliers. Proterra reserves the right to directly assess a lower tier supplier. Notwithstanding any review undertaken by Proterra, Partner shall remain responsible for the quality of all goods and services supplied by it to Proterra.

Tier 1 Partners shall ensure their Tier 2 and Tier 3 Partners are qualified to the same standards as Tier 1 Partners as defined in Table 1. Sub Tier Qualification submissions to Proterra are not required but shall be made available upon request.

The Tier 1 Partner shall require its sub-Partners to ensure that:

- A highly developed focus on quality exists throughout the company and supply chain;
- The required product safety is guaranteed when components are developed;
- Appropriate quality assurance measures are taken to minimize the probability of defective products occurring;
- Defective products are identified and quarantined early in the production workflow;
- The quality capability of the production processes is stable and proven;
- Quality data and the legally required compliance tests are documented in enough detail to prove that the products have been manufactured in accordance with all relevant laws and safety standards;
- Product traceability is assured along the entire supply chain.

4.4 Automotive Industry Standards and Proterra Requirements

The use of Automotive Industry standards, tools, and procedures is recommended to supplying product to Proterra. The Partner is recommended to use the latest edition of these standards, most of which are available at www.aiag.org. Examples: Production Part Approval Process, Advanced Product Quality Planning, FMEA, etc.

4.5 Continuous Improvement

Proterra defines Partner continual improvement as a comprehensive approach to overall quality management system improvement. Partners should, at a minimum, develop and present plans that improve internal systems that support flawless launching of new products/components/sub-systems, value enhancements and cost competitiveness, and achievement of agreed upon quality targets, with a plan to achieve zero defects in support of on-going operational excellence. This plan should include lessons learned from previous launch, cost and quality issues, and how these lessons have been incorporated into respective continuous improvement proposals.

Proterra recommends Partners use the fundamentals outlined in IATF 16949 as a platform for organizing continuous improvement plans.

5.0 PARTNER QUALITY PROCESSES

5.1 Partner Assessment

The intent of Partner evaluation is to review and evaluate the performance of potential and existing Partners in terms of the four value drivers: quality, cost, technology, and supply. Partner evaluation supports pre-production, series production and aftersales purchasing processes and provides an early indication of support needs for Partners in the case of an award. Procurement methods of Partner evaluation include the Potential Partner Assessment (SQ-WI-010) and the Proterra Partner Scorecard (SQ-WI-004).

The Potential Partner Assessment is used in specific cases to evaluate NEW and CURRENT Partners within the scope of a new contract award for product projects and series production. A key

element is the on-site evaluation of the Partner by appropriate representative(s) from Purchasing, Engineering, Quality, Manufacturing and Materials (Qualification Team). Results of a Potential Partner Assessment are communicated to the Partner at the end of the assessment, noting highlights and potentials for improvement.

This assessment will take place prior to Start of Production (SOP) and include the representatives noted above and can be on site or self-certified and dictated by Proterra.

Proterra to determine the level of assessment required to include the risk assessment form and supporting documentation if required.

5.2 Risk Mitigation

Partners are responsible for identifying and minimizing all possible risks that have been identified. During the product development phase, the Partner shall apply appropriate preventive quality planning methods, e.g. feasibility analysis, reliability studies, and risk analysis.

Partners have the responsibility to analyze their product/process design and are responsible to ensure that their sub-suppliers do so as well. For Partners having design responsibility, system and design FMEA analyses must be performed, and any safety-related characteristics must be clearly identified on drawings and technical documents.

5.3 Checking Fixtures and Gages

All Partners must provide Proterra with parts that meet Proterra engineering specifications and drawing requirements. The Partner has responsibility for and shall measure the characteristics of the product (and any checking fixtures/gages) to verify that the requirements have been met at appropriate stages of developments.

Proterra expects the Partner to work closely with Supplier Quality, during the development, to resolve tooling concerns impacting the quality of the part.

Production check-fixtures, CMM holding fixtures and other tooling aids must comply as follows:

- Proterra requires a complete set of drawings prior to construction for each fixture/gage. A Gage R&R study is performed on all fixtures per Proterra specification by using digital hand tools or CMM with the Percent Measurement Variation (PMV). The requirement for all checking fixtures is to be less than 20% and should not exceed 30%.
- The certification and verification of all fixtures/gages must be completed prior to PPAP and pre-series production, and on file ready to audit/review as determined by Proterra.

Proterra suppliers are expected to maintain tooling in good working condition and to contact the Supplier Quality Engineering team regarding any Proterra-owned tools requiring replacement or refurbishment.

5.4 Calibrations, tool, torque, and gages

Manufacturing operations rely on the proper use of tools, gages and fastening equipment. Proterra Partners are required to have an active gage, tool and torque calibration system which includes:

- Calibration of tools, torque equipment and gages by a certified entity on an annual basis
- Records kept of the calibration of each item above
- Proactive calibration must be used.

5.5 Torque Marking Requirement

Torque marks are required for all torques. The torque mark must begin on the fastener head (Bolt, Nut, etc.) and continuously mark across the fastener, washer all the way down and onto the fixed position part. The purpose is to visibly identify if any fastener has rotated after the torque mark has been applied. A proper torque marking is shown in the photos below.



5.6 Packaging and Labeling

A packaging plan must be submitted during APQP, including the following requirements. Partners must adhere to Proterra Packaging Requirements (SQ-WI-008) and Proterra Vendor AIAG Labeling Guide SQ-PRO-003. Any deviation to the requirements must be submitted during PPAP for review.

The label shall include:

- Proterra part number with Revision level and part description;
- Quantity;
- Partner name;
- Lot traceability number and date -- this number shall have a direct relationship with shipping documentation supplied. Starting with the Shipping documents, the Partner shall be able to trace all the documents and records. Proterra, at its discretion, may specify additional traceability requirements.
- Raw material Heat number, if requested.
- A Bar Coded label applied to each packaging unit. Unless specified by Proterra, the AIAG bar code format shall be used. Proterra facilities may specify their own bar-coding formats. Partners shall meet the bar code requirements of the Proterra location they are shipping to.

Partners, regardless of the manufacturing location, shipping to Proterra's North American facilities shall meet the requirements found in the North American Labeling Requirements.

5.6.1 Preferred Labels

Box or shipment label- Plex Label (4"x6") - This label varies by receiving location and is generated using the Plex Partner portal.

AIAG B10 Pallet Label (4"x6") - Available on https://www.Proterra.com/resources/suppliers/

5.7 Traceability

All Partners shall have an effective lot definition and traceability procedure. The shipper number will be linked to the lot traceability procedure in such a way that the delivered product can be traced back to the raw material.

Unless otherwise approved in writing by the Proterra Purchasing Manager, a lot shall consist of one shift or eight hours of production, whichever is smaller. For Bulk Processes, lot size may be defined by quantity and vary based on process/production equipment. Proterra reserves the right to specify a maximum batch size. Each lot shall be traceable back to the raw material used. The lot definition shall reflect all significant processes influencing the component/material, with the shipping lot number reflecting the last value-added operation. Partners shall ensure that their lot traceability system maintains its integrity throughout entire extended supply chain, including not only raw material, but also purchased components/products.

Many components' lifeline begins and ends within the facility of the Partner. There are those components, however, that do require processing by outside companies to finish the process stream. These may include heat treat, coining, grinding, coating, and other various processes.

If the original lot were batch processed through the different secondary processes, then there would be no need to change the original lot number. However, if the batches are split at a secondary processor, then the lot number for each of the batches should be unique.

Once manufacturing/assembly begins, a lot number is changed if:

- One shift of production or eight hours is reached;
- The lot number changes on the raw material being used;
- When the components undergo another value-added process and the original lot is divided during processing;
- The lot number changes on any one of the components being used.

When required the Partner may need:

- To implement serialized lot traceability (maintains a one-to-one relationship between the finished good serial number and the components' serial number), or
- To implement specific lot traceability (maintains a one-to-one relationship between the finished good serial number and the components' lot numbers) for certain programs.
- To clarify the difference between this and general traceability, consider a Partner that stamps a given component. After stamping, two fasteners are pressed into the stamping. General traceability is where there is no lot traceability between the stamped component and the assembled parts. Specific lot traceability would be where the lot numbers of the assembled components are traceable through the lot number of the stamped component.

5.8 Record and Sample Retention

The Partner shall retain all of the PPAP and quality records listed herein for the longest of one of the follow time periods: (A) the time period required in its contract with Proterra, (B) applicable legal requirements, or (C) twelve (12) years from the date or period of production.

PPAP Records:

A. Drawings
B. Dimensional Reports
C. Material Certifications
D. Test Reports
E. Approved PSW'S
F. PFD, PFMEA and Control Plans
G. Test plans. Etc.

Quality Records:

A. Quality records shall be retained for 12 years from the date of production
B. Inspection records
C. Containment log sheets
D. Torque records
E. Test Records (Leak, Cleanliness, etc.)
F. NCP's, SCAN's
G. Traceability records
H. Any other quality related data

5.8.1 Product Sample Retention

Partners shall retain product samples for the time the part is active (a part is active if it is being supplied to the customer for original or service applications) in production plus a minimum period of five years. Parts used on multiple programs may require an exceptionally long retention period.

The Partner shall retain a master sample from each cavity, die, and pattern for the length of time that the component/material is active plus one year unless otherwise specified by Proterra. The master sample shall be representative of the regular production process.

5.9 Nonconforming Material

Proterra is driven to continually improve the performance of its brands through a commitment to a zero-defect target. The following requirements are aimed at the rapid detection and correction of defects to achieve this objective.

Any nonconformance requires the highest level of attention and prompt containment.

- Partner non-conformances are ranked based on severity in the non-conformance notification. The following describes containment expectations by severity.

- A-Rank issue (Major Disruption/Failure to meet regulatory requirements), Partner is expected to send a representative to check ***ALL INVENTORY*** (At Proterra in stock or WIP, In-Transit, in process etc.) or coordinate with SQE to have Proterra inspect material. Non-conforming product inspections by Proterra trigger Cost of Quality Charge backs to the Partner. See Cost of Quality Section of this guide. Contact for SQE Exceptions.
- B-Rank issue (Moderate Disruption), Partner is expected to send a representative to check ***SUSPECT INVENTORY*** (At Proterra in stock or WIP, In-Transit, in process etc.) or coordinate with SQE to have Proterra inspect material. Non-conforming product inspections by Proterra trigger Cost of Quality Charge backs to Partner. See Cost of Quality Section. Contact for SQE Exceptions.
- C-Rank issue (Minor Disruption), SQE will notify Partner and determine appropriate containment course of action dependent on scenario.

- Actively participate to ensure timely resolution of quality issues which include the following timing requirements:
  - Containment = 24 hours after notification
  - Root cause = 7 days after receiving the notification
  - Corrective action identified = 14-21 days
  - Implementation = 28 days
- Notify Proterra Supplier Quality immediately regarding all quality spills
- Support tracking of affected population and drive containment actions
- Submit recalls to Proterra immediately, as directed Promptly direct root cause investigation and corrective action implementation to prevent nonconforming parts from being shipped to Proterra, Partners are expected to deploy necessary controls in their manufacturing process to identify and address known and potential non-conformances.
- Failure to meet these requirements will result in an immediate drop in the quality rating in the Partner Performance Index ("PPI").

5.9.1 Corrective Action

If Proterra detects that a Partner's parts do not meet specifications, a Non-Conforming Report ("NCR") will be submitted to the Partner. An NCR is used to inform a Partner of a problem, to request corrective action, and to monitor the effectiveness of the actions taken. When defects are signaled to the Partner by Proterra, the Partner shall promptly provide containment, fault analysis, and a corrective action plan per timing requirements outlined in section 5.9 above. Partners must complete all sections of a Corrective Action Request and attach supporting documentation as evidence of effective corrective action. Partners are expected to use a problem-solving tool for the root cause analysis, such as Fishbone/Cause and Effect Diagram, 8D, AIAG's 7-Step Problem Solving Process, etc.

The Partner response to the NCR must be returned to Proterra Supplier Quality within the defined timeframe. A non-response to an NCR request will escalate the issue to the Proterra Purchasing Department and may result in a Partner Red Day (see specific section in this Guide).

The quantity of NCRs, effectiveness of root cause analysis, and response time can negatively impact the Partner Scorecard and Partner evaluation ratings.

5.9.2 Inspection / Reject Process

Materials or products received from Partners to be used at Proterra manufacturing plants are verified against the purchase order and Proterra drawing/specification. In addition to part features, rejection

reasons may include part cleanliness, general workmanship, packaging, and part identification. Rejected parts will be documented on a Non-Conforming Report (NCR) which will automatically be emailed to the contact identified by the Partner. Suspect parts can also be routed to Receiving Inspection by Plant QA.

At Proterra's reasonable discretion and at the Partner's expense, the parts may be:

- Used as-is,
- Reworked, at the Partner's expense,
- Returned to Partner (if requested by the Partner), or
- Scrapped.

5.9.3 General Workmanship Expectations

In manufacturing operations, the goal is to make parts to specification and in conformity of all other expectations of Proterra and Proterra's customers. The applicable requirements may be defined in this Guide and in the contract documents, and they may also be based upon generally applicable principles such as merchantability and quality workmanship including (but not limited to):

No residual machining oils	Parts should be free of burrs
Parts should be free of scratches	Cosmetic parts inconsistent in color and gloss
Free of handling damage	Exposure to unusual dirt, debris &moisture
Inconsistencies due to inappropriate storage	Visual items due to improper packaging

The above are examples of lack of general workmanship of materials. Defects caused by general workmanship are considered defects as if the specific item was called out in the specs.

5.9.4 Special Containment Activities

Proterra may determine that special measurements are required to ensure adequate quality and delivery performance. Proterra may hire 3rd party Inspectors to work at Proterra locations, warehouses or Partner sites to perform special containment activities. Proterra may require different levels of inspection (level 1 or 2 containment) and require log sheets provided by Partners to detail their findings. All cost associated with the above activities become the sole cost of the Partner.

Proterra highly recommends that Partners take internal action on NCRs as they will impact the Partner's score in the Proterra Partner Scorecard.

5.10 Partner Chargebacks (Cost of Quality)

The vendor shall be responsible for the Cost of Quality associated with the products/services delivered. The Cost of Quality includes all costs associated with ensuring that the products/services provided meet the required quality standards, including but not limited to the costs of inspection, testing, rework, scrap, and warranty claims. The vendor shall be responsible for all costs associated with correcting any defects or non-conformances in the products/services provided.

Proterra can charge the Partner for direct, indirect, incidental and/or consequential damages cost (material, labor and disruptions to operations) from a Partner defect for non-compliance. This is documented in a *Cost of Quality* Tracker (COQT) and is provided to the Partner with the associated NCR. The Cost of Quality claims will be pursued by the Proterra Purchasing Team.

The claiming process flow chart can be found in SQ-FLC-001 "Supplier Claiming Process"

Cost of Quality examples include but are not limited to:

- In house sorting/rework
- Production downtime
- Offsite 3rd party rework
- Miscellaneous Fees (travel cost, expedites tooling/machine damage testing etc.)
- Cost incurred by vehicle breakdown
- Partner delivery/quality issues preventing delivering a part to a customer
- Cost incurred as a result of failures at Proterra End Customers.

Please refer to the NCR which accompanies each reject incident for supporting details.

- Rejects with values less than $100 US can be scrapped and debited to the Partner at the time the reject is issued unless prior arrangements are made with Proterra Supplier Quality Engineer.
- Rejects with values greater than or equal to $100 US will be scrapped and debited to the Partner if a response is not received within 3 business days
- Non-Conformance's that are confirmed escaping defects will generate a $200 NCR processing fee and a Cost of Quality Chargeback. ($100/hr @ 2hrs)
- Non-Conformance's triggering internal inspection WILL trigger a charge back for administrative fees, labor hours (hourly and/or salary), inspection tools, and 3rd party inspectors (if needed). Proterra charges partners $50 per hour for hourly employees and $100 per hour for salaried employees for any internal sorting, inspection, or rework.
- Non-conformance's deemed supplier responsibility causing Proterra's production line to go down will incur a charge of $100 per hour until the issue is resolved.
- Non-conformances deemed supplier responsibility that incur field service cost at Proterra customers shall incur a labor charge of $195 per hour.

It is always the Partner's responsibility to provide Proterra Quality with valid contact information so Non-Conforming Reports may be properly distributed.

5.11 Supplier Quality/Development

Proterra Supplier Development Engineers ("SDE"), Supplier New Product Introduction Engineers ("SNPIE") or Supplier Quality Engineers ("SQEs") engage in various activities to help Partners improve their performance and their capabilities to meet short term and long-term goals. These activities include:

A. Regular assessments (audits)
B. Evaluate and review Partner processes and quality performance;
C. Improve Partner communication;
D. Assists targeted Partners on continuous improvements projects;
E. It is the expectation of Proterra that Partners accommodate the SDE/SQE request as soon as possible in their schedule**.**

5.11.1 Partner Audit

Proterra may conduct process and product audits at the Partner's site(s). The Partner shall allow Proterra to determine whether their quality assurance activities meet the requirements of Proterra. We also expect Partners to proactively perform their own process audits.

5.11.2 Partner Facility Access

By prior notice, Partners shall allow Proterra and Proterra customers access to both their facilities and those of their Partners, for the purpose of evaluating parts, processes, documents (i.e., FMEA, Control Plan, Instructions, records, etc.), methodologies, and systems used in manufacturing of Proterra products.

Proterra may, at its discretion, use third party independent auditors. These individuals represent Proterra and will audit the Partner's processes to establish conformance to validated quality systems.

5.12 Supplier Deviation Requests

Supplier Deviation Requests ("SDR") are used as a temporary modification to Proterra requirements. Proterra Engineering must approve any change from the contract and other applicable requirements. Under no circumstance is a Partner authorized to unilaterally send in product that is known to deviate from the Proterra specifications. For any known circumstance, Partners are required to notify Proterra using a Partner Deviation Request – submitted to the SQE - and receive written or electronic authorization from the SQE. To authorize the deviation request, the SQE will communicate the situation to the involved stakeholders (Production, Materials, Product Engineering etc.) and make the necessary plans and decisions to accept or deny the Deviation Request.

Partner Deviation requests are intended for 1-time deviations for parts identified for production intent. The boundary limits for the deviation must be clearly stated on the Partner Deviation Request. Parts shipping with deviations shall be clearly marked on the individual part and on the part packaging. Contact SQE for exceptions.

The SDR Number shall be included on the part label or as an additional tag.

Parts shipping "Short" (incomplete of print requirements due to material shortages) must be submitted on SDR.

"Or Equivalent" Print Note

On some Proterra prints the statement "Or Equivalent" may be noted. All "Or Equivalent" product must be approved by Proterra Supplier Quality Engineering and/or Design Engineering via the Supplier Deviation Request Process or an Approved Part Submission Warrant. Shipping "Or Equivalent" product without these approvals will be considered Non-Conforming and generate a Non-Conformance Report.

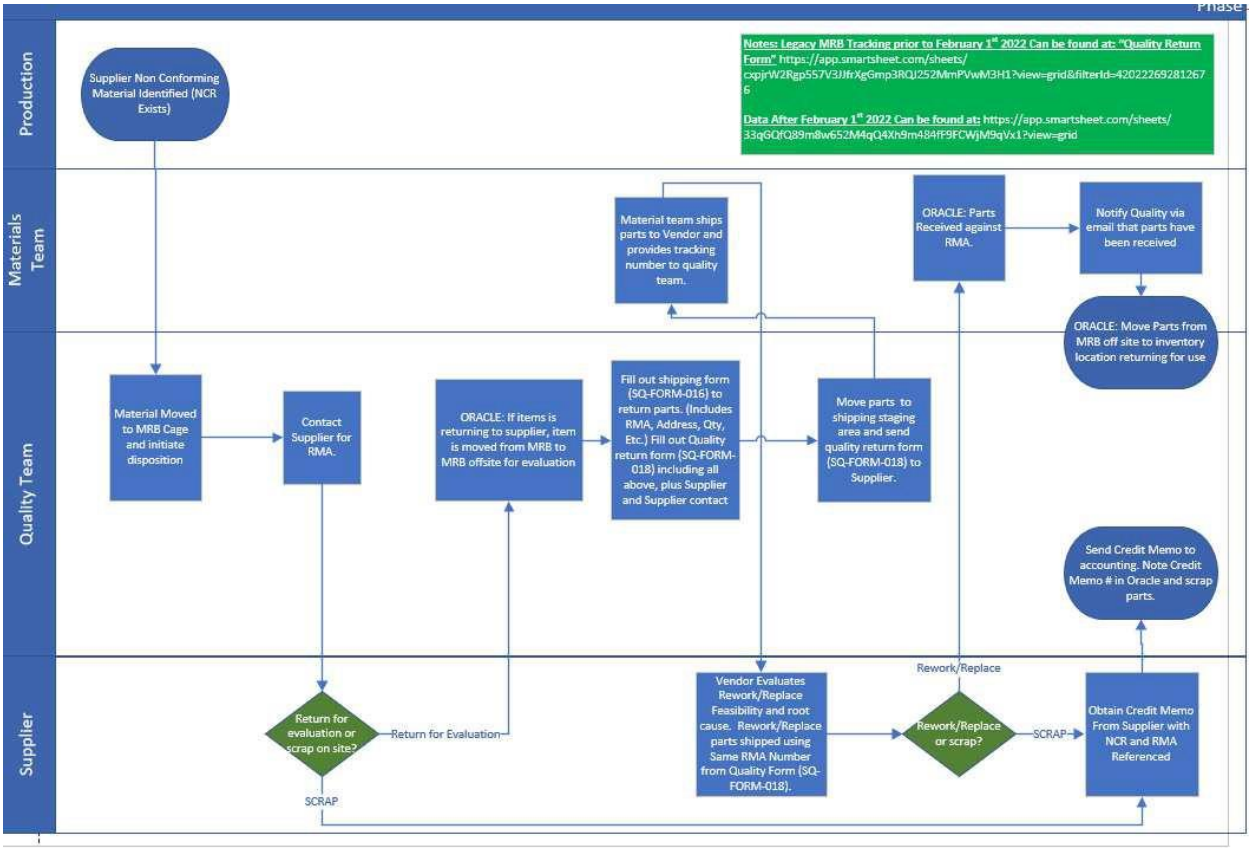
Proterra Supply Chain (buyers, expeditors, etc.) do not have the authority to approve any deviations from print and such communication will not replace the required approval from Proterra Supplier Quality Engineering and/or Design Engineering via the Supplier Deviation Request Process or an Approved Part Submission Warrant. Any deviant parts shipped based on such communication will be considered Non-Conforming and generate a Non-Conformance as outlined within this document.

5.13 Return to Vendor – RTV/RMA

When Proterra receives substandard material, the Partner is responsible to pay for the return of the defective part and to replenish the material as quickly as possible. Proterra will notify the Partner of the defective material (Issue a Non-Conforming Report – NCR) as well as communicate via phone or E mail the urgency of the replacement parts. The Partner is responsible to issue a Returned Material Authorization (RMA) within 1 working days with the following information needed:

Return Material Authorization Number
Date
Proterra Purchase Order (if applicable) to use to manage the inventory
Shipping Company name, contact or means to access them
Partners Shipping Account number

The Proterra RTV/RMA process flow (SQ-WI-025 RTV Process MRB Offsite) can be found below:



5.14 Partner Paid Receiving Inspections (100% inspection)

Proterra may implement Partner paid receiving inspection. This decision is at the discretion of the SQE to protect the Proterra Production process from Substandard parts. Proterra may require Partners to perform additional inspection to ensure conformance to specifications. This controlled inspection is in addition to normal controls conducted by the Partner to contain a specific issue.

Proterra also reserves the right to require the Partner to engage in the common Auto Industry Controlled Shipping processes for the following examples:

- Repeat quality issues.
- Severity of a quality problem.
- Partner's current controls are not enough to ensure conformance to requirements
- Poor PPM performance
- High warranty or field failures

Level 1 Controlled Shipping (L1CS): Partner is required to establish an additional inspection process (prior to shipment) to protect Proterra from receiving nonconforming material.
Level 2 Controlled Shipping (L2CS): Partner is required to establish an additional inspection process conducted by a third-party company at the Partner's location or another inspection facility.

Level 3 Controlled Shipping L3CS): When the Partners' actions to contain are ineffective (Level 1 or 2), Proterra's may select an independent third-party containment activity. The third party is selected by Proterra and **paid for by the Partner.**
Proterra may perform audits to verify Controlled Shipping is implemented and effective. Controlled shipping steps will remain in place until root cause(s) are identified, contained, resolved and verified.

5.15 Warranty Process

The Proterra warranty process is designed to improve the overall brand quality and increase both customer and dealer satisfaction. When a part requires replacement in the field, a warranty claim is made. If the nonconformance is generated by a Partner, a claim will be submitted to the Partner via a Cost of Quality Charge Back or via a formal RMA Request.

Proterra will return the failed component to the Partner for inspection. Partner shall respond with full analysis of the failure and claim resolution within thirty (30) days of receipt of component. Claim resolution shall be one of the following: full purchase price credit, product replacement, acceptable product repair or another remedy accepted in writing by Proterra (after consideration of the Partner's full explanation of failure and reason).

Proterra Purchasing Partner Agreements include a signed warranty agreement that requires the Partner to support Proterra's warranty coverage and respond to claims within a specific timeframe. Current timelines are specified in the Partner warranty agreement. If the vehicle has warranty coverage for the performed repair, the responsibility for the claim ay be assigned Proterra to the Partner at Proterra's reasonable discretion. The Partner shall respond to the Proterra Field Service Department within the stated timeframes.

If the Partner accepts responsibility for a claim, the Partner needs to simply send a written notice (e-mail or paper) showing acceptance/payment of the claim:

1. If the Partner responds but challenges or denies either a portion or all a claim, the denial must be justified in writing by the Partner to Proterra Supplier Quality or Procurement.
2. If a claim response is not received from the Partner within 3 working days, the Proterra Field Service will act to resolve the claim. The Partner will be charged for all claims they do not respond to.

5.16 Recall Process

Information concerning potential safety-related product defects, noncompliance recalls, or campaigns in which case the Partner is responsible, must be forwarded immediately to Proterra Engineering and to the Proterra Compliance and Regulatory Affairs ("CRA") Departments with all supporting documentation and data. CRA will determine the need for an investigation.

6.0 PARTNER PERFORMANCE

6.1 Supplier Performance Index (SPI)

The Proterra Partner Scorecard is an instrument for continuous assessment of the performance of current Partners. Target values are determined for each Scorecard parameter in interdisciplinary cooperation with Purchasing, Engineering and Quality. Proterra reserves the right to add or modify Partner evaluation elements.

The results are communicated to the Partners by the Proterra Procurement Partner Scorecard Procedure (SOU-WI-004). The Partner Scorecard is used to support the following:

- Commodity Strategies
- Sourcing Decisions
- Partner Development Activities
- Partner Awards

The Partner Scorecard Quality rating constitutes qualitative and quantitative measures from various departments. Key to this is a rolling NCR count, Partner Responsiveness and thoroughness of Corrective Actions and thoroughness of PPAP activities. Third party certification for quality system, campaigns and recalls, corrective action responses and PPAP timeliness are all part of the qualitative measure from Proterra Quality. NCRs from plant rejects contribute to the quantitative score from Proterra Quality. Details regarding complete KPIs and all value drivers for the entire score are available in the Partner Scorecard.

6.2 Partner Scorecard

On a Quarterly basis or as required, Partners will be advised of their performance by the Purchasing Department. Zero Defects and 100% On-Time Delivery are the Proterra expectations for purchased material. Proterra will update Partner performance monthly and provide Partners performance reports. The score is based on a top score of 100 and will include the following components:

1) Quality-40%
2) Cost-15%
3) Delivery-20%
4) Development-15%
5) Management-10%

A poor performance score is used both as part of future sourcing decisions and to focus continuous improvement efforts. Any Partner with a score with less than 70 must submit a corrective action plan with timelines and responsibilities defined.

90+	Premier Partner	Growth Opportunities
70-89	Preferred Partner	
50-69	Probation Partner	Partner is to present continuous improvement plans with a timeline.
<50	Problematic Partner	**New Business Hold** Alternate sourcing is being pursued.

6.3 Partner Quality Scorecard Criteria (SOU-WI-004)

The Criteria used in the Partner Quality analysis of the Partners is predominantly scored around the Daily Performance, with reductions that occur through substandard PPAP progress and overall responsiveness. Change Management Execution (Post PPAP Approval ex. ECN) also plays into the overall score.

6.3.1 Daily Performance Scoring

3 = Ideal Partner
- No NCR's in the past 3 months
- 3 or fewer NCRs over last 3 months & addressed with a professionally executed Root Cause and Corrective Action ("RCCA")

2 = Moderate Partner
- 4 or less NCRs – last 3 months and a moderate or slow RCCA
- 10 or less NCR's – last 10 months with a hard-working willingness to improve

1= Poor Partner
- 5 or more NCRs last 3 months
- Less than 11 NCRs and slow to respond with a proper RCCA
- NCR's issued but Partner is non-responsive or has a poor RCCA

6.3.2 PPAP and Change Management Scoring Criteria

3 = PPAP "A" - Partner is actively working on PPAP/Change Management to the agreed Schedule
2 = PPAP "B" – Partner is missing 3 or fewer PPAP/Change Management Completion dates
1 = PPAP "C" – Partner misses >3 PPAP/Change Management dates or uncooperative

6.3.3 Responsiveness Scoring Criteria

3 = Partner actively responds without prompting
2 = Partner needs prompting to complete quality tasks
1 = Partner requires chronic prompting

7.0 MISCELLANEOUS

7.1 Proterra Property – Tools

All tools, manufacturing, test or inspection equipment belonging to Proterra, or its customers, will be permanently marked to clearly show that they are property of Proterra or the customer. These tools will only be used for Proterra products unless an authorization in writing exists.

7.2 Tooling Requirements

- The Partner will keep detailed maintenance records for the tooling and make them available upon request.
- The Partner will monitor the tool life and performance to ensure that repair maintenance and replacement are identified and corrected prior to the time that the part quality/production are affected
- The Partner will make this data available to Proterra.
- The Partner must document tooling run-off and preproduction quantities
- The Partner is expected to maintain the integrity of the measurement systems and provide reports as required
- The Partner will clearly mark or tag tooling/dedicated measurement devices and associated materials with property of Proterra.
- The tooling and measurement devices must be stored and handled in a manner to avoid damage and deterioration.

7.3 Contingency Plan

Partners shall develop a contingency plan for potential catastrophes disrupting product flow to Proterra and advise Proterra at the earliest in the event of an actual disaster. In an actual catastrophe, Partners shall provide Proterra access to Proterra's tools and/or their replacements.

7.4 Reactive Partner Support

Proterra works with Partners in a preventive mode prior to Start of Production to ensure a smooth launch, however, should the Partner quality's issues affect production, Proterra may take actions as listed below. Additionally, the actions below may be taken to meet customer or standard requirements.

7.5 Partner Red Day Performance Improvement Plan (PIP)

Partners that show consistently poor performance over a 3 - month period are nominees for Partner Red Day to improve performance. A Partner Red Day performance report is created showing the on- going quality performance issues from the Partners. This report identifies the difficulties that Proterra has encountered from the Partner and is given to a top officer of the Partner for review and action. Approximately 2 weeks after the delivery of the Red Day report – the Partner Top Executive is responsible to discuss the Partner improvement activities to remedy the situation in a Red Day meeting with Proterra Leadership.

The following are automatic criteria for Partner RED DAY Performance Improvement Plan:

- A Partner Performance Index Quality score of 1 for 2 months in a row.
- A quality miss that puts the safety of Proterra, or Proterra's customers at risk.

7.6 Partner No New Business

Proterra Quality and Purchasing maintain criteria to determine the disapproval of Partners. The following are criteria that Quality may use at its discretion, but not limited to:

- Partner falls into Red Category on Partner Scorecard (SOU-WI-004) and fails to make improvements in a timely manner.
- Partner fails to maintain Quality Management System compliance
- Partner continually fails to respond to Proterra Corrective Action Requests
- Partner has a high reject rate and/or poor delivery performance for the last four consecutive quarters, and there are no signs of improvement.

The above criteria may be used in conjunction with criteria of other corporate and business departments to consider the need to disapprove the Partner for any new business, and to resource with another Partner.

7.7 Partners Existing Proterra

If a Partner wishes to discontinue business with Proterra, they must refer to their Terms and Conditions agreement regarding termination clauses.

7.8 Conflict Minerals Statement

Proterra Corporation recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("Conflict Countries"). Proterra Corporation requires and by, providing goods, services or other consideration to Proterra Corporation or its designees, the Partner is affirmatively agreeing, representing, and warranting that Partner and its subcontractors shall comply with Section 1502 of the Act and its implementing regulations. In particular, the Partner commits to have in place a supply chain policy and processes to undertake the following:

- A reasonable inquiry into the country of origin of Conflict Minerals incorporated into products, goods and materials it provides to Proterra Corporation;
- Due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the

- Conflict Countries directly or indirectly support unlawful conflict there;
- Risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures.

Seller shall also complete any forms (electronic or hardcopy) that Proterra Corporation reasonably requires to enable Proterra to comply with Section 1502 of the Act and its implementing regulations. Timely submission of the forms is expected to meet deadlines set forth by Program Administrator. The Partner shall take all other measures as are necessary to comply with Section 1502 of the Act and its implementing regulations as they currently exist and as they may be amended over time.

Please contact the Proterra representative for any question you may have regarding conflict minerals.

Proterra is registered on the I Point Conflict Minerals Platform under the registration ID# 7457.
Proterra collects and reports conflict mineral information using the EICC-GeSi template.

Appendix A: Acronyms

AIAG = Automotive Industry Action Group
APQP = Advanced Product Quality Planning
AVOB = Annual Volume of Buy
AWS = American Welding Society
CoC = Certificate of Conformance
COQ = Cost of Quality
COQT = Cost of Quality Tracker
CMM = Coordinate Measuring Machine
CRA = Compliance and Regulatory Affairs
EAU = Estimated Annual Usage
ECN = Engineering Change Notification
ECR = Engineering Change Request
ECO = Engineering Change Order
FMEA = Failure Mode and Effects Analysis
IATF = International Automotive Task Force
IMDS = International Material Data Sheet
ISO = International Organization for Standardization
MSA = Measurement Systems Analysis
NCR= Non-Conforming Report
PIP = Performance Improvement Plan
PMV = Percent Measurement Variation
PO = Purchase Order
PPAP = Production Part Approval Process
PPCN = Product/Process Change Notification
PPM = Parts Per Million
PSW = Part Submission Warrant
QA = Quality Assurance
QMS = Quality Management System
RCCA = Root Cause Corrective Action
R&R = Repeatability & Reproducibility
RMA = Return Materials Authorization
SDR = Supplier Deviation Request
SOP = Start of Production
SPC = Statistical Process Control
SPI = Supplier Performance Index
SQ = Supplier Quality
SQE = Supplier Quality Engineer

Proterra Departmental Approval – SQ WI-001 - Revision July 12, 2023

Quality Authorized Signature

Name, Title, Date

Supply Chain Authorized Signature

Name, Title, Date

Legal Authorized Signature

Name, Title, Date

Partner Approval – SQ WI-001 - Revision July 12, 2023

Quality, Sales, or Legal Team Authorized Signature

Name, Title, Date