

March 2, 2009

Dear Valued Supplier:

In 2008, we committed to exceed our customer's goal for quality. We are dedicated to enhancing our communication about the products and services you provide to us.

Our second year of the program has come to an end and we are very pleased with the quality progress of our suppliers. 108 of our suppliers qualified for Star Awards in the year ending September 2008.

We honor our best suppliers with one of three Star Awards:

- **4 Star** - In appreciation for participation in our Skip Lot inspection program which requires one year of 100% lot acceptance per part and 95% on time delivery.
- **5 Star** - In appreciation for Skip Lot items supplied at 100% lot acceptance for two plus years per part (not all items supplied) and 95% on time delivery.
- **6 Star** – In appreciation that **all** items supplied have achieved a 5-Star rating plus 100% lot acceptance for more than two years and 95% on time delivery. These suppliers are considered **Certified**.

Additional to the lot acceptance, in 2009 we will be monitoring the On Time Performance, which will be used to qualify for one of the three Star Awards. We are including the score card criteria to achieve the 3 different levels of recognition, considering Quality Acceptance and On Time Performance.

The Purchasing criteria with respect to Supplier recognition and performance will encompass the following:

On Time Performance: Active Screw is implementing new criteria we expect our suppliers to adhere to for every shipment with respect to delivery. Delivery dates on Purchase Orders (aka Due date, Release Date) are going to be measured against the following criteria to be considered on time.

On Time Delivery: Up to and including 3 calendar days early, but no sooner unless specifically requested by Active Screw. Late deliveries will not be allowed because it will limit our ability to deliver on time to our clients.

Transit Time: For consolidation purposes the existing shipping schedules previously sent to suppliers by Active Screw and Fastener must still be adhered to with respect to both overseas and domestic shipments. If the delivery date on the purchase order does not comply with existing shipping schedules, please contact Buyer immediately to rectify discrepancy.

Packaging Criteria: There are several criteria with respect to packaging on Active Screw and Fastener purchase orders that must be adhered to including:

Carton weight: Cartons must NOT exceed 40 lbs per carton

We thank you very much for your efforts and hope that all of our suppliers achieve certification. We look forward to working with you to achieve your next Star Award level.

Congratulations on your achievements and we look forward to another successful year!

Sincerely,

Simon J Blattner
President, CEO

Douglas L Lozier
Director, Operations

Mario Moriel
Quality Manager