



**N.E.W. Industries Inc.
905 S. Neenah Ave.
Sturgeon Bay, WI 54235**

N.E.W. Industries, Inc. Supplier Expectations

In order for N.E.W. Industries to compete successfully in a global market, our suppliers must share our vision and commitment to continuous improvement in all areas. How well we work together to achieve excellent performance is ultimately determined by our customers and the marketplace. Our customers expect and deserve increased value from the product and services provided. This expectation can only be met by continually reducing the cost of quality, increasing productivity and efficiency, and driving improvement throughout the supply chain.

To assist our current and potential suppliers in understanding our expectations we have identified the following key criteria driving our supplier selection and development programs.

N.E.W. Industries expectations of our Suppliers:

- 100% on time, in specification and in full.
- We expect consistent high-quality and high-performance materials from our suppliers.
- We must have immediate reaction and participation from our suppliers if any quality concerns may arise. All concerns must be driven to a complete conclusion and resolution.
- We must have lowest total cost.
- Develop mutually beneficial and profitable relationships.
- Proactive in finding and generating cost reduction methods throughout the supply chain and within N.E.W. Industries.
- Share resources to support continuous improvement efforts.
- Demonstrate financial stability.
- N.E.W Industries prefers suppliers of production materials to have proof of certification to ISO 9001 by an accredited registrar.
- The supplier's quality system should ensure that products are traceable to raw materials or components used in the manufacturing process, production operation, date of manufacture, revision level, and records of evaluation of conformance.
- Suppliers of services and non-production materials to N.E.W. Industries shall be required to show proof of an effective quality management system.

Supplier Advantage:

- Suppliers that meet and exceed these challenges will be recognized and rewarded by:
 - Receiving the major share of the business volume
 - Long term supply agreements
 - Preferential position with respect to new project quotations.
- Suppliers who meet these challenges will also receive greater sales and greater sales growth from supporting our continued growth in the CNC Machining industry.

Supplier Performance Parameters:

- Quality Rejections – Goal = 0 rejections.
- Shipping/Packaging Damage –Goal = 0 damage.
- On Time Delivery – (2 days early, due date on P.O. through 2 days late – this is considered by N.E.W. Industries as on time) Calendar Days. Goal = 0 Early or Late Deliveries.
- Receiving Documentation – COC's, COA's, and Packing Slips – checking for accuracy and timeliness. Goal = 0 non-conformance.
- Costs – Maintain or lower costs to N.E.W. Industries. Goal = year over year cost reductions.

These parameters will be measured against all other suppliers for N.E.W. Industries, internally, on a quarterly basis and at the end of the year. Suppliers that end up with lower performance measures compared to their peers, will be contacted for further review.

Specific Steel Supplier Expectations:

In order for N.E.W. Industries to maintain a good safety record we are going to modify and make mandatory the following changes to Raw Material Bar Receiving:

- Minimum Width of Metal Strap 1 1/8".
- Minimum Number of Straps per Bundle
 - 12' = 4 Straps.
 - 20' = 5 Straps.
- Crimp – Double.
- Max Weight per bundle 3,000 lbs.

- Orders need to be complete and on-time per due date on purchase order. If there are modifications to the delivery dates by the supplier, the supplier must notify N.E.W.'s buyer the day before the shipment arrives.
- Material Certifications are required with every shipment of raw material.

If the raw material bundles are not conforming to these standards, N.E.W. Industries reserves the right to reject the shipment.