



May 12, 2003

David Rae
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Bolttech Inc
200 Riverside Dr
West Newton, PA 15089

Dear Valued Supplier:

This letter serves as your company's "report card", an evaluation of your recent performance in support of Northrop Grumman Newport News (NGNN). Our expectations include 95% or greater on time/early delivery and a quality performance score of 98 or greater.

The delivery and quality scores below are based on data accumulated in our SAP-based Enterprise Resource Planning System, implemented in 1999. Responsiveness scoring is based on a timely response to Corrective Preventive Action Requests (CPAR) issued in the scoring period. Bonus points are assessed based on participation in certain continuous improvement initiatives and are applied once the other criteria total 100. Price and other factors will continue to be a critical part of our supplier selection process. However, given a variety of factors, (escalation, time lapse between purchases, delivery premium scenarios, etc.), we have not included a price at this time.

Quality	Delivery	Responsiveness	Bonus	Overall Total
100	100			100

Quality Ratings: Preferred (98 - 100), Satisfactory (95 - 97.99), Marginal (90 - 94.99), Unsatisfactory (<90)

On Time - 7 day window from 7 days "early" to EDD

Delivery Ratings: Preferred (95 - 100), Satisfactory (90 - 94.99), Marginal (85 - 89.99), Unsatisfactory (<85)

Overall Rating: Blue (>100), Green (76-100), Yellow (45-76), Red (<45)

We have worked over the past year to ensure that suppliers are measured properly and are not penalized in our scoring system for NNS-caused process shortfalls. If you believe that the data to be in error please feel free to raise these concerns with us.

The timely delivery of quality material and software to support ship construction is critical. This performance, combined with competitive pricing, enables us (including your company!) to execute and receive future work.

Sincerely,

Tom Holland

Manager, Sourcing/ MRP

Mary O'Connell

Sourcing Rep.

Dave Nolte

Supplier Quality Rep.