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RE: New Electronic Process for Supplier Requests (SR's), Form 655

Dear Supplier:

As part of our efforts to continually improve the velocity of our incoming supply chain, LORD Corporation has implemented a new electronic process for managing Supplier Requests (SR's), LORD Form 655. The new process requires suppliers to access Lord's Supplier Workplace, via the internet, and to complete and submit the new electronic Supplier Request form. When the form is submitted, it will automatically create an SR notification at LORD. Upon receipt at LORD, we will review your request and disposition it accordingly.

The LORD SR process is used for all supplier requests involving the use of non-conforming material, requests for interpretation, change requests, and occasional requests to borrow gages. Even though the material specified in the SR may not be defective, an approved SR is always required before a supplier may ship product that otherwise does not meet all agreed upon requirements, such as drawings, notes, specs, or spec revisions.

While understanding the occasional need for suppliers to request that we use non-conforming material, LORD has received an ever increasing number of SR's over the past several years. The new system will allow us to analyze our SR process and focus on those areas that are contributing most to the large quantity of SR's. Managing SR data in a centralized database will also allow us to efficiently track SR status thereby improving our disposition and response time to our supply base.

The new form has added features that allow suppliers to create their requests utilizing drop down menus to select a specific PO, material number, reason code, defect type, and Lord contact. Please be sure to choose the correct LORD facility to which product will be shipped when completing the SR form. This will assist in targeting your selection of available LORD agents and improve the routing of the SR to the proper agent who will manage your request. When submitting SR's for production material, you should choose the Material Planner or Release Analyst (sometimes referred to as MRP Controller) as the initial point of contact to coordinate the SR activity. In some instances it may be the Purchasing Agent, such as for New Product Introduction (NPI) parts.

As with the current SR process, please be sure to include any information that may be helpful in the dispositioning of the request. If the request is the result of a non-conformance caused by the supplier, you are required to complete the Corrective Action section of the form including the implementation date of the corrective action. Non-conformances that do not include corrective actions will be rejected.

The new process goes into effect March 1st, 2007. Understanding the need for some suppliers to transition to the new process and to allow time for suppliers to request access to the LORD Supplier Workplace portal, LORD will still accept Supplier Requests (Form 655) via e-mail through March 31,

2007. After that date, LORD will only accept SR's via the new electronic process through Supplier Workplace.

If your company does not have access to Supplier Workplace and you need to submit an SR to LORD Corporation for any reason, please contact Becky McGrath at the contact information below or your Purchasing Agent to request a Supplier Workplace account. If you have any questions on this or any other supplier quality issues, please visit our supplier web page at www.lord.com/suppliers, or contact your Supplier Quality Engineer or Purchasing Agent.

Please Direct Requests for new Supplier Workplace Accounts, to:

Becky McGrath
Purchasing Administrator
Email: Rebecca.McGrath@lord.com
Phone: 814-868-5424, x. 6832

Regards,



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