

VANDOR

OPERATING PRINCIPLES



CUSTOMER **SATISFACTION** IS OUR BUSINESS

Without Customer satisfaction, Vandor has no business. When we accept an order from a Customer, each Team Member should always strive to exceed Customer expectations in quality, delivery, price, and responsiveness.

PROVIDE *Value* TO VANDOR'S CUSTOMER TO DRIVE SALES

Unless the product provides value to the Customer, there is no incentive to buy. Unless the product provides value to the Customer and to us, we should not try to influence the Customer to buy our product. Vandor Team Members must understand the competition and provide additional value through new products and services not currently offered.



ALWAYS MAINTAIN PRODUCT INTEGRITY

Quality must have Number One priority in everything we do. We must never sacrifice quality to meet a deadline, to get our job done sooner, or to reduce cost. The quality of the products we produce, and quality of our personal efforts will determine the success of Vandor. We should strive for continuous improvement in quality.

KEEP STRATEGY AND STRUCTURE AS SIMPLE AS POSSIBLE

Strategy must be defined in clear concise terms that can be easily communicated to and understood by Vandor's entire organization. Structure should be as simple as possible and still be able to carry out Vandor's strategies. Designs and processes should be as simple and orderly as possible to maximize utilization of time, equipment and materials while allowing Team Members to work as productively as possible.

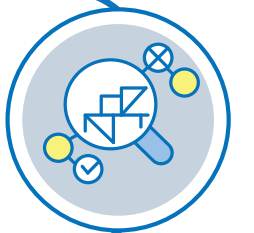


MAXIMIZE ORGANIZATION FLEXIBILITY

The organizational structure must provide the flexibility to carry out Vandor's business strategies in the most effective manner. As strategies change, we must change the organizational structure as necessary to accomplish goals.

SCHEME THE BIG PICTURE, MANAGE THE DETAIL

Team Members must always have a long-term perspective guiding daily decisions. At the same time, we must also be accountable and ensure we are doing everything possible to perform our respective duties and responsibilities.



ALWAYS PUT LONG-TERM BUSINESS HEALTH FIRST

Decisions that will save money in the short-term but will affect Vandor's ability to produce quality products and services at the most competitive cost in the long-term are not in the best interests of the business. We must always maintain equipment, processes, and satisfaction of Team Members in such a manner that we can maximize long-term performance of the Company.





INTEGRATE SUPPLIERS AS BUSINESS PARTNERS

As Vandor grows and expands, we must rely on our suppliers to help us design products, improve quality, and reduce costs. We must carefully select these suppliers and make long-term commitments so each can bring us new technology, improve quality and services, and continually work with us to reduce costs.

SOUND PROFIT GROWTH PROVIDES OPPORTUNITY AND SECURITY

Vandor provides growth opportunity and security for all Team Members through profit growth. We must be able to make an acceptable profit to obtain money for future investment. Every Team Member has opportunities every day to help achieve this objective. Every Team Member will benefit from the results.



SELECT THE *Best* PEOPLE, Reward EXCELLENT PERFORMANCE

To meet the competitive challenges of the marketplace, we must constantly strive to improve the capabilities of all Team Members. Vandor must select the best qualified Team Members at all levels for each job and provide continuous training for those Team Members so that they can handle the requirements of future products and processes and achieve personal growth based on performance.

***Involve* TEAM MEMBERS; PROVIDE LEADERSHIP THAT SERVES AND COLLABORATES ON ALL LEVELS**

All Vandor Team Members have ideas that can help us do better. A Team Member assigned to a particular job often has the best ideas for improving that particular product or process. We must listen to and capitalize on each other's ideas to maximize performance. Leadership is the key to achieving this principle. Vandor must provide leadership that recognizes the integrity and worth of each individual and motivates Team Members to achieve their maximum potential.

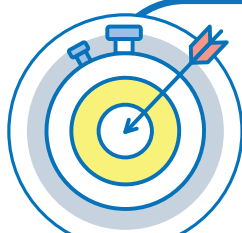
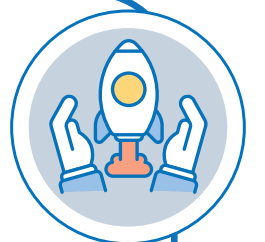


ENCOURAGE EVERY TEAM MEMBER TO BE THE BEST THEY CAN BE

Vandor's Team Members are entering the work force with better skillsets, experiences, and technical skills than ever before. We must encourage them to use these skills and eliminate barriers that keep them from continuing to expand their capabilities. If Team Members can do more than the limits of their current assignment, we must find ways to allow that to happen.

BE *Creative* AND INNOVATIVE IN ALL TASKS

Vandor must constantly strive to improve its products, processes, and the way Team Members do their jobs. Eliminate functions and processes that do not add value and always try to find ways to improve what we are doing today regardless of how small the improvement. Search for innovation that will improve our competitive position in each current and new marketplace.



DO IT RIGHT THE FIRST TIME

An attitude of doing it right the first time will do more than any other single thing to improve Vandor's quality, reduce costs, and improve its competitive position in each of its current and targeted new marketplaces. We must be mindful, eliminating errors of any kind and taking personal pride in doing it right the first time.

**THESE ARE OUR COMMON VALUES,
THIS IS WHAT WE BELIEVE,
THIS IS WHO WE ARE.**

