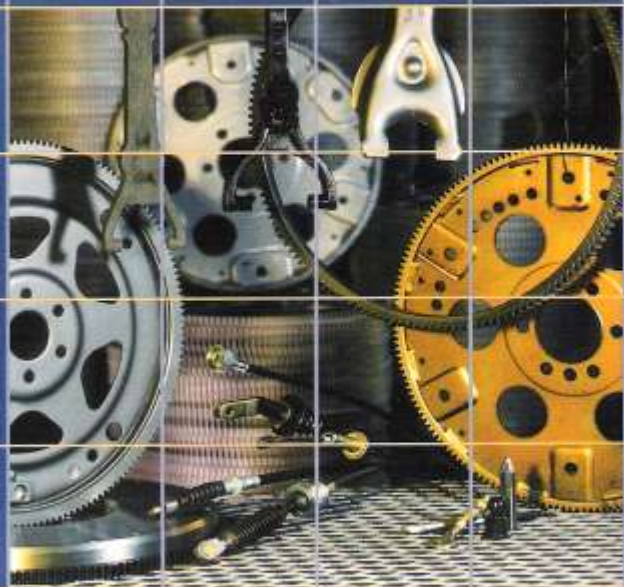


**PIONEER** Inc  
*Automotive Products*



# This is Pioneer, Inc.....

## History

Pioneer, Inc. was founded in 1946 by the late Herman A. Shields, who owned a successful automotive parts manufacturer's representative firm in his hometown of Meridian, Mississippi. He formed the company to service the needs of his clutch remanufacturer customers. His goal was simple: Supply the needed, hard-to-find parts for these businesses.

Little did he know that the company he founded would become a leading supplier of high quality components to the automotive parts aftermarket. For over 30 years under the guidance of the Shields family, Pioneer growth was based upon the twin cornerstones of customer service and the reputation of the "Source for hard-to-find parts."

In 1979, Pioneer was purchased by The Barnes Group (Bristol, Connecticut) and the company became known as Pioneer/Barnes. During the Barnes Group's ownership, Pioneer purchased a 10-acre parcel in the Sonny Montgomery Industrial Park and built an 86,000 sq. ft. corporate headquarters and distribution center on the site.

The product line expanded dramatically during the Barnes years, adding operating cables, flywheels, ring gears, shop supplies and performance parts to the company's mix, while further expanding the clutch, engine parts and water pump lines. Additionally, Pioneer added regional warehouses in Mt. Laurel, New Jersey and Cerritos, California to provide improved delivery service to its East and West Coast customers.

Pioneer became a subsidiary of UIS, Inc. (a privately-held New Jersey-based corporation) in January of 1993.



As a member of the UIS family, Pioneer continues with its product line expansion, and is making major investments in product tooling.

Additionally, Pioneer has made major commitments to its total quality assurance programs. These quality performance processes have been adapted to order taking and filling, distribution and inventory controls, further improving fill rates and on-time delivery.

The distribution facilities have also undergone modernization. In 1995, the Meridian facility's distribution center was expanded by 25 percent, bringing the warehousing space to over 100,000 sq. ft.

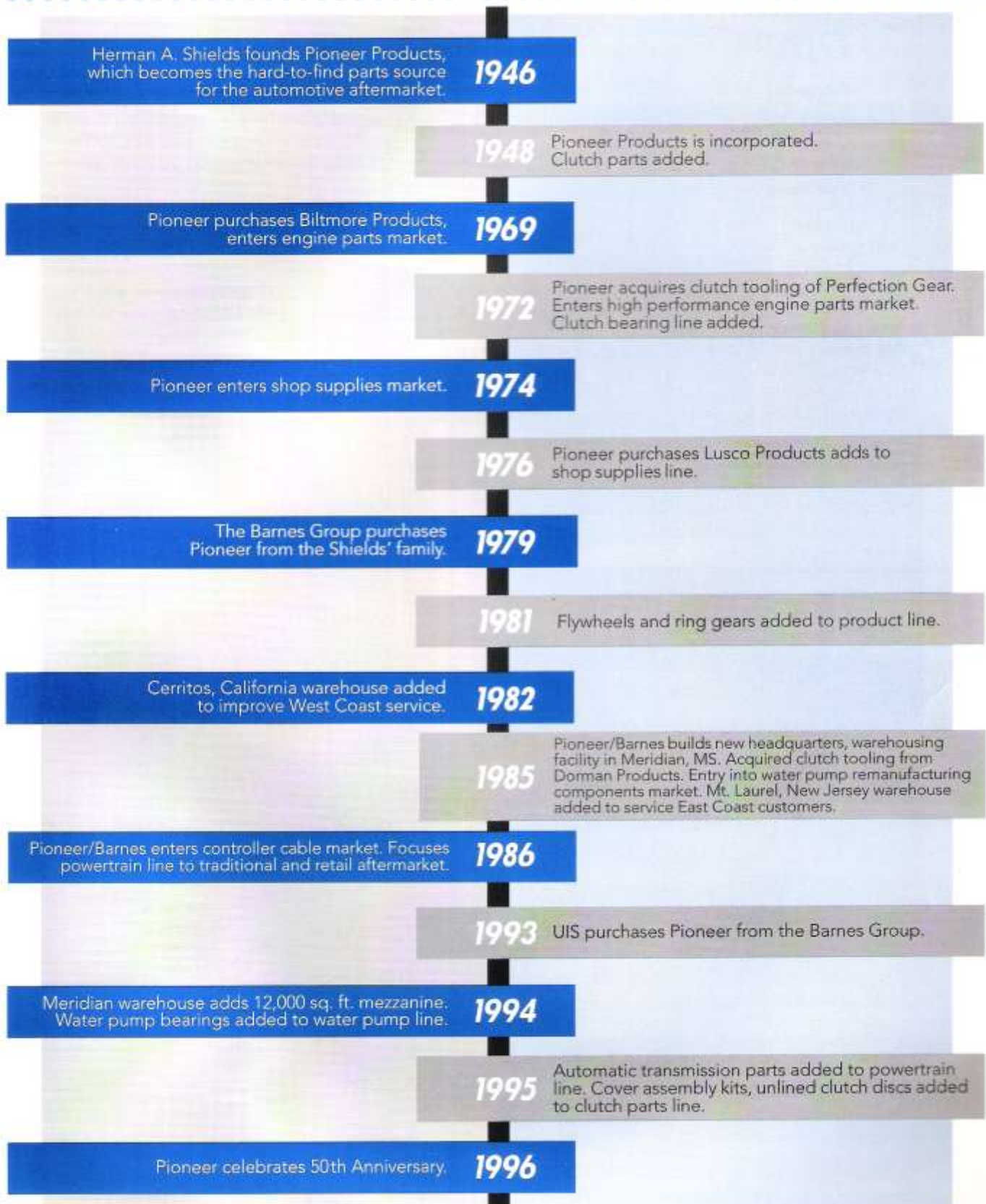


*Herman A. Shields,  
Founder, Pioneer, Inc.*



**PIONEER Inc**  
Automotive Products

## Significant Events in Pioneer's History



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## Administration & Operations

*Pioneer's corporate administrative functions are straightforward, with few layers of management. President James H. Ward heads the company and is the direct liaison with UIS management. Reporting to the President are the Finance, Human Resources, Management Information Services (MIS), Marketing, Materials, Operations, Quality Control and Sales departments.*

The Marketing Department, headed by the Marketing Manager, administers advertising and other marketing communications. The Marketing Manager oversees the activities of the product line managers (Clutch/Bearing Products, Engine Parts, Water Pump, Shop Supplies, Powertrain and Performance). The product line management function can be described as entrepreneurial, with focused attention by each line manager, who directs product development, design specifications, manufacturing, technical assistance, pricing and inventory levels.

The Sales Department directs the activity of the independent sales organizations across North America, and export sales. It is headed by the National Sales Manager, who is assisted by two regional sales managers on the East and West Coasts, plus a Remanufacturing Sales Manager,

who coordinates sales activities for the clutch and water pump markets. The National Sales Manager also supervises the Customer Service Department (the centralized order processing operation).

The Customer Service Department provides toll-free voice and FAX order-placement services, in addition to computerized ordering via Electronic Data Interchange (EDI) or MEMA's TransNet services to customers. It provides telemarketing services to smaller customers to assure their needs are fulfilled, and bi-lingual services for Spanish-speaking international customers. It interfaces with product managers on customer technical assistance.



The Operations Department oversees traffic management, domestic and international shipping and stock replenishment of the branch distribution centers in Mt. Laurel and Cerritos. It is responsible for product packaging at the main distribution center in Meridian. Additionally, the department manages Pioneer's relationships with its fee-warehouses. Operations works closely with the Customer Service department to assure orders are filled and shipped within 24 to 48 hours of receipt.

*The Operations Department manages a variety of functions, including receiving the finished manufactured goods, product packaging and warehouse, and picking and shipping customer orders.*

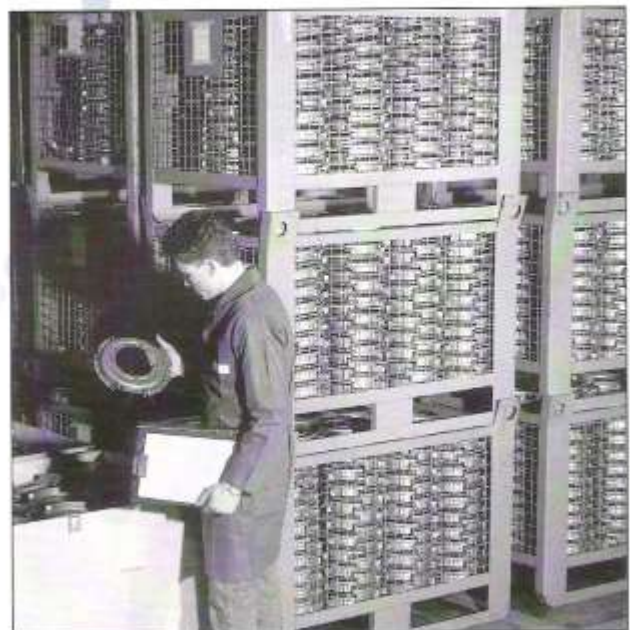


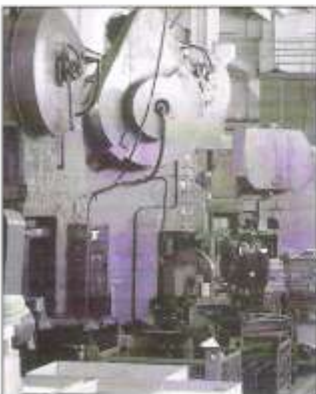
The Materials Department manages Pioneer's global purchasing and product manufacturing system to expedite the timely flow of products into inventory. Using a sophisticated Distribution Resources Planning (DRP) process, it tracks historical trends in product demand and inventory levels. From this, production schedules are developed to meet demand projections and to meet Pioneer's objective of 95 percent fill rates. The Materials Department's product specialists, Quality Assurance Department and Product Managers work in a "mini-team" relationship. This promotes rapid responses to market conditions and to bring new products to market.



***Beginning with CAD (Computer Aided Design) specifications as a basis, Quality Assurance monitors conformance to dimensional and metallurgical standards for both product and tooling at various stages of production. Pioneer's rigorous quality monitoring from the arrival of raw material to acceptance into finished product inventory assures customers of OEM-level fit and longevity.***

The Quality Assurance Department is linked with the product managers and the Materials Department to establish manufacturing tolerances and materials specifications. It institutes and maintains supplier production quality assurance standards. Using Strategic Process Controls (SPC), Failure Mode Extended Analysis (FEMA) and quality conformance audit programs, it maintains continuous OEM-level quality standards. It monitors finished products for quality, assuring that products are within the design tolerances, before release into inventory for packaging and distribution.





*The Materials Department's responsibility for manufacturing, from tooling to finished product, relies heavily upon CNC-driven lathes, robotized stamping presses and modern, multifunction assembly equipment. Such equipment and tooling assures consistently high levels of product quality, and effectively contains manufacturing costs.*

# The Products & Markets

*From its rather humble beginnings, Pioneer has grown to become a major participant in the automotive aftermarket. Today, Pioneer participates in all major sectors of the aftermarket, serving remanufacturing, traditional warehouse-distribution, automotive retailers, national packagers, plus specialty markets, namely performance and shop supplies.*

## Strategic Planning

As Pioneer grew, a decision was needed on the direction the company was to take regarding production of products. Would the investment be made in brick, mortar and production machinery? Or take an alternative course...own proprietary tooling, and contract production outside of the company?

The latter was the course chosen by the Shields family. By establishing alliances with various suppliers, Pioneer has been able to control its overhead costs and maintain a price-competitive position.

In recent years, Pioneer has been able to utilize its strengths and connections to establish global manufacturing alliances. The worldwide awareness of quality assurance programs has allowed Pioneer to continuously improve product manufacturing tolerances. Additionally, computer-aided design and manufacturing capabilities have enhanced quality and productivity.

Together, these programs allow Pioneer to respond quickly to market demands and production cost dynamics with high quality, competitively-priced products.

## Remanufacturing

Supplying needed components to the remanufacturing (or rebuilding) market has been Pioneer's core business. While the company began by supplying the clutch remanufacturing market, over the years it has expanded its service to other sectors of automotive mechanical parts remanufacturing.

Today, three distinct remanufacturing market sectors are serviced by Pioneer: **Clutch, Engine and Water Pump.**



### ■ Clutch

Pioneer offers the most diverse clutch product line in this sector of the aftermarket. Pioneer supplies all the necessary

components needed to completely rebuild a clutch core into a serviceable unit. The clutch products line covers every aspect of the automotive, light truck, commercial truck, agricultural and heavy equipment markets.

Pioneer has developed unique programs to assist clutch remanufacturers in meeting competitive market pressures. It has initiated progressive programs to assist the clutch remanufacturer, large and small, to compete in the market with new clutch covers. New non-asbestos, no-lead friction facings and unlined disc programs allows remanufacturers to offer new clutch disks to their customers. This complements the "new" clutch program, and presents a remanufacturer a total clutch package to cover many late-model domestic and import cars and light trucks.



### ■ Engine

Pioneer offers a wide range of internal engine components, concentrating on supplying the necessary parts required to remanufacture

cylinder heads for domestic and import autos and light trucks, plus medium- and heavy-duty diesel engines. These components are often called valve train components, and include all parts from camshaft followers and lifters to valves and valve seats. Pioneer is a leading supplier of valve springs to many national brand packagers and specialty camshaft grinders.

Also included in the engine parts line are high-quality fasteners to reassemble all aspects of an engine, from the main bearings, connecting rods and cylinder heads. Pioneer is also a leading supplier of steel and brass expansion (freeze) plugs for engine blocks and cylinder heads.

### ■ Water Pump

Pioneer has become the major supplier of the needed components for remanufacturing water pumps for



automotive and heavy-duty engines. The line includes impellers, hubs, backing plates, seals and gaskets, and impeller

shaft/bearings. Pioneer has developed an integral pump shaft/bearing which exceed OE specifications, and has allowed Pioneer to supply all of the needs of the water pump remanufacturing market.

## Warehouse and Retail Distribution

Pioneer's entry into the replacement parts market was initially an extension of the engine remanufacturing parts line. This market has grown dramatically, with current product line covering several areas outside the engine components sector.

These components go to market through the aftermarket distribution system of warehouse-distributors, programmed distribution groups and automotive retailer chains.

### ■ Engine

The engine line parallels the product offerings to the engine remanufacturing market. For the jobber's engine repair shop customer, parts are packaged in boxes, as individual parts or in kits. For the retail environment, products such as expansion plugs and fasteners are carded and shrink wrapped for rack or wall display.

### ■ Powertrain

Perhaps the fastest growing portion of Pioneer's replacement parts line is Powertrain components. This line includes starter ring gears, flywheels (for automatic and manual transmissions), clutch forks, and clutch installation tools.



Pioneer offers a comprehensive line of controller cables for engine and drivetrain control and actuation. These include throttle, automatic transmission control, emergency brake, detent (passing gear), clutch, manual shift, speedometer cables, plus chassis grounding cables and tailgate support cables for pickup trucks and Sport Utility Vehicles.

The most recent addition is a complete line of automatic transmission service parts (individual parts and service kits) for domestic and popular import applications.



## Specialty Distribution

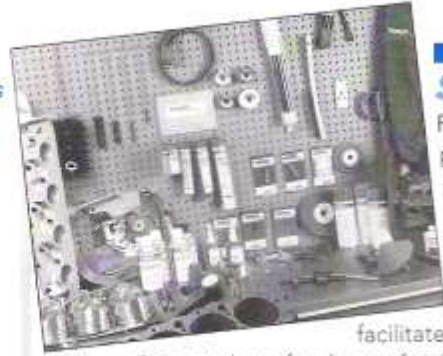
Pioneer's presence in specialty markets has been a natural extension of its presence in the remanufacturing and warehouse/retail distribution markets.

### ■ Performance



Pioneer offers performance products which are best suited to serving the street performance market, as well as the "grassroots" motorsports market. The performance products are distributed through the performance parts distribution system, plus to a growing number of traditional warehouse-distributors, automotive retailers and engine remanufacturers. The performance products line offers valve train products, high-performance fasteners for engine and drivetrain applications, and automatic transmission flexplates for racing applications.


Pioneer is a major supplier of high performance valve springs to performance camshaft grinders. Many of these springs are proprietary designs for each manufacturer for use in street and motorsports applications.



### ■ Shop Supplies

Pioneer also provides a complete line of tools, accessories and support products to

facilitate the installation of its products for the professional remanufacturer and machine shop. Shop Supplies have also found acceptance in the retail environment for service shop, installer and DIY (do-it-yourself) customers. Products include: abrasives, precision measuring tools, paints, chemicals, safety equipment, hand and power tools, brushes, fasteners, and assorted related items.



**F**or over 50 years, the Pioneer story has been unique. Pioneer's growth has been based upon the philosophy of Herman Shields that success must be based upon customer service and satisfaction. Pioneer's Mission Statement reflects that philosophy:

**"We are committed to the success of our customers. Our mission will be to provide customers with quality product and superior service. We believe the dedication of our employees and business partners is our most valued resource."**

While that philosophy may seem passé in today's business environment, it has served Pioneer well through over five decades and three ownership groups.

*"Proud of the past...committed to the future"* is a slogan which accurately reflects Pioneer's heritage and its future.



*Pioneer headquarters, Meridian, Mississippi.*

**PIONEER Inc**  
**Automotive Products**

5184 PIONEER ROAD MERIDIAN, MS 39301  
(601) 483-5211 • FAX (601) 483-4762

DISTRIBUTION CENTERS  
MERIDIAN, MS • MT. LAUREL, NJ • CERRITOS, CA

