

September 19, 2011

H.E. Ban-Ki-moon  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Subject: Letter of recommitment from PIAD Precision Casting Corporation

Dear Mr. Secretary-General.

I am pleased to confirm that PIAD Precision Casting Corporation supports the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption. With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. PIAD Precision Casting Corporation will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We apologize for failing to submit the COP in a timely manner in the past and pledge that we are recommitted to the Global Compact and that we will submit the COP annually as required by the Global Compact. PIAD has completed a (COP) for your review.

Thank you for your consideration and do not hesitate to contact me at (724) 853-1304 if you have any questions or if you require further information or assistance.

Sincerely,



Holger K. Schweisthal  
President/CEO

HKS/nlr

# **COP from PIAD Precision Casting Corporation**

## **Human Rights**

PIAD Precision Casting Corporation supports the idea of overall respect for and observance of human rights and freedoms for everyone.

PIAD has implemented the attached Business Ethics and Employee Conduct policy as part our employee handbook. In addition, we have the current Human Right's rules and regulations posted on all bulletin boards within the company.

The employee handbook is reviewed with the candidate by Human Resources during the pre-employment process so that they are informed regarding the company policies and their responsibilities prior to them accepting an employment offer with PIAD. The candidate is also required to complete an acknowledgement form stating that the employee handbook was reviewed with them and they understand the policies outlined in the manual. If the candidate accepts a position with PIAD they are provided with a copy of the manual which must be returned to PIAD if they would leave our employment.

In order to make sure that every employee is aware of our policies regarding Human Rights violations, to assist with reducing Human Rights risks and informing them of the repercussions of violating the policy; PIAD clearly states in the manual that compliance is the responsibility of every PIAD employee and that disregarding or failing to comply with the ethical standards of business conduct could lead to disciplinary action, up to and including possible termination of employment as well as legal action.

Any employee who suspects a violation of this policy or any laws and regulations should contact his/her supervisor or Human Resources immediately. They are also informed that the issue will be handled in a confidential manner so that they feel comfortable reporting a violation.

If an allegation that a Human Right's violation has occurred, PIAD would take immediate action and complete a thorough investigation of the situation and apply the rules outlined in our policy regarding any employee who violates the rules and regulations.

PIAD is proud to say that we have not had any Human Rights violations and that we continue to proactively promote a healthy work environment free from those abuses.

# Employee Conduct

## **Business Ethics**

The successful business operation and reputation of PIAD is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of PIAD is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to PIAD, their fellow employees, customers, government, affiliate companies, suppliers, competitors, and the public to act in a way that will merit continued trust and confidence. Supervisors and management must never put employees in a situation that would give them cause to act against the company's standards of business ethics and conduct.

PIAD will comply with all applicable laws and regulations - both domestic and foreign - and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of those laws by refraining from any illegal, dishonest, or unethical conduct. Falsification of records is unacceptable and often unlawful. All corporate records must represent the facts of a transaction or situation clearly and accurately.

In situations that are not subject to specific laws and regulations, generally the use of good judgment, based on high ethical principles, will guide employees with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with the employee's immediate supervisor and, if necessary, with Human Resources or the President for advice and consultation.

PIAD maintains a policy of open communication, even when the information being imparted is difficult or disturbing. In order to protect the confidence of our customers and the company's reputation, it is the responsibility of each employee to notify management of unfavorable situations at their outset rather than attempting to handle them independently and potentially worsening the problem. Once an error or negative development having to do with the company, its personnel, or its operations is discovered, it must be communicated internally as soon as possible so that the situation can be appropriately evaluated and managed.

Compliance with this policy of business ethics and conduct is the responsibility of every PIAD employee. Disregarding or failing to comply with ethical standards of business conduct could lead to disciplinary action, up to and including possible termination of employment, as well as legal action.

Any employee who suspects a violation of this policy or of any laws and regulations should contact his/her supervisor or, where applicable, Human Resources immediately. Reports will be handled in as confidential a manner as possible and there will be no form of retaliation against an employee who makes a valid report.

## **Labour**

PIAD Precision Casting Corporation supports the Labour principles of the UN Global Compact and upholds the freedom of association and the effective recognition of the right of the employee's to collectively bargain.

PIAD has the required current labor law posters informing employee's of their rights, the minimum wage and age law's posted on all our bulletin boards.

PIAD is a union facility and we have a three year union contract that became effective on May 1, 2011 and ends on April 29, 2014 with the IUE-CWA, The Industrial Division of the Communications Workers of America, AFL-CIO-CLC and Local 88643. Attached is a copy of the cover sheet of the new agreement.

Our contract with the union clearly states the employee rights and responsibilities and their compensation and benefits during the term of the agreement.

Part of our contract with the union includes an agreement between the two parties regarding how many union stewards will be assigned to each shift/department and how the grievance process will work. The union stewards report any issues to Human Resources and the President/CEO who will review the issue and follow the next step of action outlined in the grievance policy of the contract.

The President of the local union also is an employee at PIAD so we work together with him to ensure that all issues between the company and union are rectified quickly and effectively following the rules and regulations of the contract and legal rules.

In addition, PIAD follows all government rules and regulations regarding hiring and has in place the attached Nature of Employment and Equal Opportunity Policies.

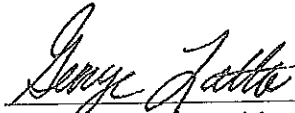
## SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT is entered into this 28th day of April 2011, between PIAD Precision Castings Corporation ("Employer") and IUE - CWA Local 88643 ("Union") in settlement of the 2011 Collective Bargaining Agreement.

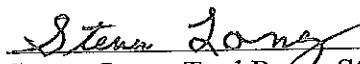
This SETTLEMENT AGREEMENT constitutes a full and complete Collective Bargaining Agreement between the parties, which shall commence at 12:00 a.m. on April 30, 2011, and shall remain in full force and effect until midnight on Midnight April 29, 2014. This Agreement includes the unchanged Articles from the predecessor Agreements, which are hereby incorporated by reference into this Agreement for its duration. Additionally, the Tentative Agreement signed off during the 2011 negotiations which are attached hereto.

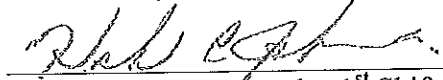
The parties agree that ratification of this Collective Bargaining Agreement by the membership of the Union on or before April 30, 2011, shall be a condition precedent to its taking effect and that the Agreement will become operative immediately upon ratification. The parties agree that this Settlement Agreement, the 2011 Tentative Agreements and the unchanged provisions of the 2006 and 2009 Collective Bargaining Agreements constitute the terms of the complete Agreement. **The parties also agree that by their signatures below the Union Committee Members all agree to recommend and vote for ratification of this Settlement Agreement.**

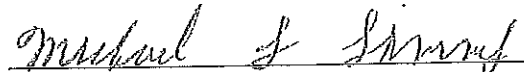
For the Union:


  
George Latta, President, Local 88643

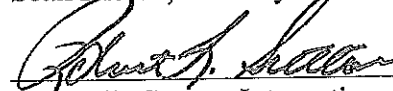
  
Doug Dwyer, Chief Steward, Local 88643

  
Steven Long, Tool Room Steward

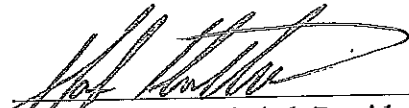
  
Harold Johnson, Foundry 1<sup>st</sup> Shift

  
Mike Simms, Foundry 1st Shift

  
Sean Hissem, Foundry 2nd Shift

  
Robert L. Sutton, International Representative

For the Employer

  
Holger K. Schweisthal, President

  
Thomas S. Giotto

## **Nature of Employment**

Employment with PIAD is voluntarily entered into, and the employee is free to resign at will at any time, with or without cause. Similarly, PIAD may terminate the employment relationship at will at any time, with or without notice or cause.

Policies set forth in this handbook do not create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between PIAD and any of its employees. The provisions of the handbook, including, but not limited to, the existence of benefits and benefit levels, have been developed at the discretion of management and may be amended or eliminated at any time.

These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the President of PIAD.

## **Equal Opportunity Employment**

### **Policy of Non-Discrimination**

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at PIAD will be based on merit, qualifications, and abilities. PIAD does not discriminate in employment opportunities or practices on the basis of race, color, religion, gender, national origin, age, disability, sexual orientation, marital or veteran status, or any other characteristic protected by federal, state, or local law.

PIAD will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. Our equal employment opportunity policies govern all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

All employees are expected to comply with this non-discrimination policy. Any questions or issues regarding this equal employment opportunity policy should be directed to Human Resources.

## **Environment**

PIAD is respectful to the environment and takes every precaution to conduct business without harming the environment and to put policies in place that help the environment thrive. In addition, PIAD is in compliance with all DEP rules and regulations and submits all required forms in a timely fashion.

PIAD has worked closely with our workers compensation healthcare insurance carrier to tour our facilities and conduct audits together to make sure that we are compliant with OSHA and DEP rules.

In addition, PIAD has contracted with East Coast Risk Management a consulting company who specializes in safety and the environment. East Coast Risk Management will be conducting an environmental assessment at PIAD in December of 2011.

We review and discuss the impact our business has on the environment during our annual training sessions with our employee's.

## **Anti-Corruption**

PIAD Precision Casting Corporation takes the topic of corruption very seriously and any employee violating the attached Employee Conduct and Work Rules and Management Clause of our union contract will result in disciplinary action up to and including termination of employment.

PIAD pays close attention to what is occurring in our facility especially since the large amount of copper that we have in our foundry at any given time. In addition to the Management Commitment PIAD's union employee's are also very committed to Anti-Corruption in the work place and informed the supervisor when they thought an employee was stealing copper from us. The supervisor confronted the employee who admitted that they had put copper in their bag but he said that he was not stealing it he was taking it to show to someone. The supervisor explained that this was company property and could not be taken off the premises without permission. The grievance process was followed and the IUE/CWA main union representative decided in our favor not to take the case to arbitration and allow PIAD to terminate the employee for stealing company property.

PIAD continues to commit ourselves to stopping corruption.



## **Employee Conduct and Work Rules**

To ensure orderly operations and provide the best possible work environment, PIAD expects employees to follow rules of conduct that will protect the interests and safety of all employees and the company.

It is not possible to list all forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- Theft or unauthorized removal or possession of property belonging to the company or other employees
- Falsification of employment information, timesheets, expense reports, or any company records
- Working under the influence of alcohol or illegal drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Gambling on the premises
- Insubordination for reasons other than those for personal safety
- Disrespectful conduct, including threats and intimidation
- Purposeful or negligent destruction of property or infliction of bodily injury
- Willful violation of safety or health rules or known policies
- Sexual or other unlawful or unwelcome harassment
- Possession of dangerous or unauthorized materials in the workplace, such as explosives, firearms or other weapons
- Excessive absenteeism or tardiness, or any absence without notice
- Leaving without permission or quitting early
- Unauthorized disclosure of confidential information
- Unsatisfactory job performance or conduct
- Encouraging, coercing, inciting, bribing, or otherwise inducing another employee to violate the company's work rules
- Any infraction of the "Electronic Communication System Usage" policy
- Interfering with the work of others
- Violation of any provision of this handbook.

#### ARTICLE VI - MANAGEMENT CLAUSE

The management of the business and the direction of the working force, including the right to direct, plan and control plant operations, to hire, promote, transfer, suspend, discipline, or discharge employees for cause, or to relieve employees because of lack of sufficient work or for other legitimate reasons, to make and enforce shop rules and regulations including, but not limited to, a drug and alcohol policy, to introduce new and improved methods or facilities or to change existing methods or facilities, to purchase supplies for the performance of its business, to determine the products to be manufactured and the process and means of manufacture, to determine qualification of employees to perform designated work, are exclusively the right of the management of the Company, subject, however, to the provisions of this Agreement, provided that none of the above provisions shall be used for the purposes of discrimination against any employee because of his or her membership in the Union. Should a dispute arise concerning these management rights or responsibilities, the dispute should be treated in accordance with the provisions of the grievance procedure of this Agreement.