

General

Period covered by your Communication on Progress (COP)

From: February, 2008

To: October 6, 2011

Statement of continued support by the Chief Executive Officer (CEO)

Please provide a statement of your company's chief executive expressing continued support for the Global Compact and renewing your company's ongoing commitment to the initiative and its principles (Please include name and title of the chief executive at the bottom of the statement).

Attached (See next page)



*Alconex Specialty Products, Inc.
4204 West Ferguson Road
Fort Wayne, IN 46809
<http://www.alconex.com>*

*(260) 744-3446
1-800-443-6481
FAX (260) 745-1938*

September 21, 2011

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

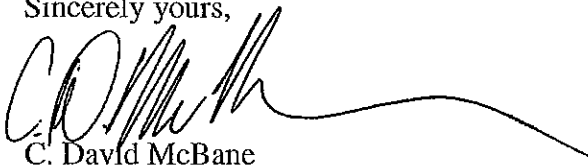
Dear Mr. Secretary-General,

I am pleased to confirm that Alconex Specialty Products, Inc. supports the ten principles of the Global Compact with respect to human rights, labour, 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. Alconex Specialty Products, Inc. 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 support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

Alconex Specialty Products, Inc. became a participant in the Global Compact in February, 2008 but was expelled for failure to communicate progress in February of this year. Our failure to submit the Communication on Progress was due to scrivener's error on the part of our General Counsel whose responsibilities included submission of the COP. This will not happen in the future. A valid COP is included with our package for re-admission.

Sincerely yours,



C. David McBane
President/CEO

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses (For more information on the principles, [click here](#))

Assessment, Policy and Goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

Reference to Eaton Supplier Code of Conduct (attached) with policy requiring adherence to the principles on human rights.

Implementation

Description of concrete actions to implement Human Rights policies, reduce Human Rights risks and respond to Human Rights violations.

Corporate Employee Handbook (Attached) includes appropriate policies covering human rights issues.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Periodic review of results by senior management are the relevant events related to Human Rights issues.

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

(For more information on the principles, [click here](#))

Assessment, Policy and Goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities).

Description of written policies, public commitments and company goals on labour rights.

Written Company policies exist regarding labor principles in both the Eaton Supplier Code of Conduct and in the Employee Handbook (both attached).

Implementation

Description of concrete actions taken by your company to implement labour policies, reduce labour risks and respond to labour violations.

Regular Training exists for all matters covered in the Employee Handbook, with a particular emphasis on anti-discrimination policies.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

There is full diversity of the employee base of Company by gender, ethnicity, and age. Community investigation organizations implement periodic reviews.

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies (For more information on the principles, [click here](#))

Assessment, Policy and Goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection

The production process of company is a fully "green" and environmental sound process, allowing product to be marketed with that assessment.

Implementation

Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents

The responsibility for environmental issues and protections is the number one responsibility within the Company because of this marketing advantage.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance

External audits are performed on a regular quarterly basis and there is periodic review of results by senior management.

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery (For more information on the principles, [click here](#)).

Assessment, Policy and Goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

There is zero-tolerance for corruption bribery and extortion within company as agreed in the Eaton Supplier Code of Conduct (attached) or complete loss of business as a supplier.

Implementation

Description of concrete actions to implement anti-corruption policies, reduce anti-corruption risks and respond to incidents.

Allocation for responsibility for anti-corruption rests with senior management of Company.

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

In over a 26 year history of Company there has never been a concern for a corruption matter. Audits further exist within the Company at the senior management level.



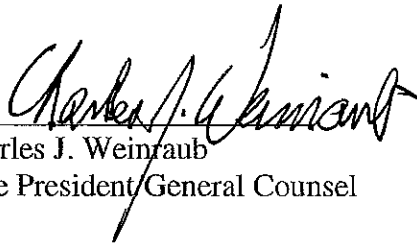
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AFFIRMATION:

This is to affirm that Alconex Specialty Products, Inc. is in compliance with the Eaton Code of Ethics as set out in Eaton's Supplier Code of Conduct, (attached) submitted by online Agreement from Alconex to Eaton in 2006, fully in force this entire period of time.

Eaton Corporation has been and remains a major customer of Alconex Specialty Products, Inc.

 10/6/11

Charles J. Weinraub
Vice President/General Counsel

Supplier Code of Conduct

Eaton's Supplier Code of Conduct helps us to select business partners who follow workplace standards and business practices that are consistent with our company's values. These requirements are applied to every supplier of Eaton Corporation globally.

A. Code of Conduct

1. General Principle: Suppliers' plants shall operate in full compliance with the laws of their respective countries and with all other applicable laws, rules and regulations.
2. Environment: Suppliers' plants must comply with all applicable environmental laws and regulations.
3. Child Labor: Suppliers shall employ only workers who meet the applicable minimum legal age requirement. Suppliers must also comply with all other applicable child labor laws.
4. Forced Labor: Suppliers shall not use any prison, indentured or forced labor.
5. Wages and Hours: Suppliers' plants shall set working hours, wages and overtime pay in compliance with all applicable laws. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater.
6. Discrimination: Suppliers shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs (including race, color, gender, nationality, religion, age, maternity or marital status).
7. Freedom of Association: Suppliers' workers are free to join associations of their own choosing and have the freedom of collective bargaining where the local law confers such rights.
8. Gift and Gratuity Policy: The offering or acceptance of kickbacks, bribes and other illegal payments subverts the very essence of competition and erodes the moral fiber of those involved. These include gratuities (i.e., anything of value) offered to governmental officials or employees. Such activities are not condoned and will not be tolerated. Also, Eaton prohibits the offer or acceptance of gifts or gratuities that the recipient likely would consider to be of substantial value. Any supplier that violates this item A (8) Gift and Gratuity Policy risks immediate loss of all existing and future Eaton business.

B. Compliance Monitoring

The supplier will allow Eaton Corporation and/or any of its representatives or agents unrestricted access to its facilities and all relevant records at all times, whether or not notice is provided in advance. Eaton will continue to develop monitoring systems to assess and ensure compliance.

C. Application to Subcontractors

This Code also applies to any subcontractor(s) to the supplier, and the supplier is fully responsible for compliance by any such subcontractor(s) as if it were the supplier itself in noncompliance. Eaton reserves the right to approve all subcontractors.

D. Event of Violation

If the supplier does not comply with this Eaton Corporation Global Sourcing Supplier Code of Conduct, Eaton requires that the supplier implement a corrective action plan to cure the noncompliance within a specified time period (furnished by Eaton in writing). If the supplier fails to meet the corrective action plan commitment, Eaton will terminate the business relationship, including suspending placement of future orders and potentially terminating current production. Eaton has the right to hold supplier responsible for any costs of investigating noncompliance. An exception to the application of this item D is a violation of item A (8) Gift and Gratuity Policy, where the penalty is as stated.

* OFFICE *

Alconex Specialty Products, Inc.

Office Exempt/Non-Exempt Employee Handbook

Revised March 1, 2010

Revision 02

Supersedes All Other Alconex Employee Handbooks



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Welcome to Alconex Specialty Products

We are very happy to welcome you to Alconex. Thank you for joining us! We want you to feel that your association with Alconex Specialty Products will be a mutually beneficial and pleasant one.

You have joined an organization that has established an outstanding reputation for quality products and phenomenal service. Credit for this goes to every one of our employees. We hope you, too, will find satisfaction and take pride in your work here.

This Handbook provides answers to most of the questions you may have about Alconex's benefit programs, as well as company policies and procedures we abide by -- our responsibilities to you and your responsibilities to Alconex Specialty Products. If anything is unclear, please discuss the matter with your immediate supervisor. You are responsible for reading and understanding this Employee Handbook, and your performance evaluations will reflect your adherence to Alconex Specialty Products' policies. In addition to clarifying responsibilities, we hope this Employee Handbook gives you an indication of Alconex Specialty Product's interest in the welfare of our employees.

From time to time, the information included in our Employee Handbook may change. Every effort will be made to keep you informed through suitable lines of communication, such as postings on company bulletin boards and/or notices sent directly to you in-house.

Compensation and personal satisfaction gained from doing a job well are only some of the reasons most people work. Most likely, many other factors count among your reasons for working -- pleasant relationships and working conditions, career development and promotion opportunities, and health benefits are just a few. Alconex Specialty Products is committed to doing its part to assure you of a satisfying work experience.

I extend to you my personal best wishes for your success and happiness at Alconex.

Sincerely,

C. David McBane, President/CEO

Purpose of This Handbook

This Handbook has been prepared to inform you about Alconex's history, philosophy, employment practices, and policies, as well as the benefits provided to you as a valued employee, and the conduct expected from you.

No employee handbook can answer every question, nor would we want to restrict the normal question and answer interchange among us. It is in our person-to-person conversations that we can better know each other, express our views, and work together in a harmonious relationship.

We hope this Handbook will help you feel comfortable with us. We depend on you. Your success is our success. Please don't hesitate to ask questions. We will gladly answer them. We believe you will enjoy your work and your fellow employees here. We also believe you will find Alconex Specialty Products a good place to work.

We ask that you read this Handbook carefully, and refer to it whenever questions arise. We also suggest that you take it home so your family can become familiar with Alconex Specialty Products and our policies.

Alconex's policies, benefits and rules, as explained in this Handbook, may be changed from time to time as business, employment legislation, and economic conditions dictate. If and when provisions are changed, you will be given replacement pages for those that have become outdated.

About Alconex Specialty Products

In 1987, Alconex Specialty Products was formed to produce and distribute aluminum magnet wire utilizing a new manufacturing process called conform extrusion.

In our main target market, transformers, our competitive edge has not been a new type of magnet wire; but a new manufacturing process that has a lower cost advantage.

As Alconex continues to grow, our goals are to continue to increase sales of conventional magnet wire as well as develop new types of proprietary magnet wire and extrusion shapes.

Notice

The policies in this Handbook are to be considered as guidelines. Alconex, at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Handbook at any time without prior notice. Any such action shall apply to existing as well as future employees with continued employment being the consideration between the employer and employee. Employees may not accrue eligibility for monetary benefits that they have not earned through actual time spent at work. Employees shall not accrue eligibility for any benefits, rights, or privileges beyond the last day worked. No one may alter or modify any of the policies in this Handbook without the approval of the Board. No statement or promise by a supervisor, manager, or department head may be interpreted as a change in policy nor will it constitute an agreement with an employee.

Should any provision in this Employee Handbook be found to be unenforceable and invalid, such finding does not invalidate the entire Employee Handbook, but only the subject provision.

This handbook replaces all other previous handbooks for Alconex Specialty Products.

What You Can Expect From Alconex Specialty Products

Alconex's established employee relations policy is to:

1. Operate an economically successful business with a goal of achieving a consistent level of steady work.
2. Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, sex, color, race, creed, national origin, religious persuasion, marital status, political belief, or disability that does not prohibit performance of essential job functions.
3. Pay all employees according to their effort and contribution to the success of our business.
4. Review wages, employee benefits and working conditions constantly with the objective of providing maximum benefits in these areas, consistent with sound business practices.
5. Provide Managed Time Off and holidays to all eligible employees.
6. Provide eligible employees with medical insurance.
7. Dedicate ourselves to continuous improvement.
8. Assure employees, after talking with their supervisor, an opportunity to discuss any problem with management.
9. Make prompt and fair adjustment of any complaints that may arise in the everyday conduct of our business, to the extent that is practicable.
10. Respect individual rights, and treat all employees with courtesy and consideration.
11. Maintain mutual respect in our working relationship.
12. Promote employees on the basis of their ability and merit.
13. Make promotions or fill vacancies from within Alconex Specialty Products whenever that is the best available option for Alconex.
14. Keep all employees informed of the progress of Alconex, as well as the company's overall aims and objectives.
15. Do all these things in a spirit of friendliness and cooperation so that Alconex Specialty Products will continue to be known as "a great place to work!"

Employment

Personnel Administration

The task of handling personnel records and related personnel administration functions at Alconex Specialty Products are to be directed to Human Resources. Questions regarding insurance, wages, and interpretation of policies may be directed to Human Resources also.

Your Personnel File

Keeping your personnel file up-to-date can be important to you with regard to pay, deductions, benefits and other matters. If you have a change in any of the following items, please be sure to notify Human Resources as soon as possible:

1. Legal name
2. Home address
3. Home telephone number
4. Person to call in case of emergency
5. Number of dependents
6. Marital status
7. Driving record or status of driver's license, if you operate any Alconex Specialty Products vehicles
8. Military or draft status
9. Exemptions on your W-4 tax form

Coverage or benefits that you and your family may receive under Alconex's benefits package could be negatively affected if the information in your personnel file is incorrect.

Since Alconex Specialty Products refers to your personnel file when we need to make decisions in connection with promotions, transfers, layoffs and recalls, it's to your benefit to be sure your personnel file includes information about completion of educational or training courses, outside civic activities, and areas of interest and skills that may not be part of your current position here.

You may see information that is kept in your own personnel file if you wish, and you may request and receive copies of all documents you have signed. Please ask your supervisor to make arrangements for you to meet with Human Resources.

Equal Employment Opportunity Policy

It is Alconex Specialty Products, Inc. policy that, as required by law, equal employment opportunities be available to all persons without regard to race, sex, age, color, religion, national origin, ancestry, disability, medical condition, marital status, sexual orientation, or any other category protected under applicable federal, state, or local law. This policy applies to employees and applicants and to all phases of employment, including but not limited to, hiring, promotion, demotion, compensation, and termination of employment.

Alconex Specialty Products, Inc. will take appropriate steps to provide reasonable accommodations upon request to qualified individuals with disabilities so long as doing so does not cause an undue hardship for the company as a whole.

Probationary Period

Your first ninety (90) days of employment at Alconex Specialty Products are considered a Probationary Period, and during that period you will not accrue benefits described in this Handbook unless otherwise required by law. This Probationary Period will be a time for getting to know your fellow employees, your supervisor and the tasks involved in your job position, as well as becoming familiar with Alconex's products and services. Your manager will work closely with you to help you understand the needs and processes of your job.

This Probationary Period is a try-out time for both you, as an employee, and Alconex, as an employer. During this Probationary Period, Alconex Specialty Products will evaluate your suitability for employment, and you can evaluate Alconex Specialty Products as well. At any time during these first ninety (90) days you may resign without any detriment to your record. If, during this period, your work habits, attitude, attendance or performance does not measure up to our standards, we may release you.

Probationary employees will be evaluated by their supervisor during the first 30, 60 and 90th day of employment. Please understand that completion of the Probationary Period does not guarantee continued employment for any specified period of time, nor does it require that an employee be discharged only for "cause."

"Non-Exempt" and "Exempt" Employees

At the time you are hired, all employees are classified as either "exempt" or "non-exempt." This is necessary because, by law, employees in certain types of jobs are entitled to overtime pay for hours worked in excess of forty (40) hours per one (1) week work period. These employees are referred to as "non-exempt" in this Handbook. This means that they are not exempt from (and therefore should receive) overtime pay.

Exempt employees are executives, managers, professional staff, technical staff, outside sales representatives, officers, directors, owners and others whose duties and responsibilities allow them to be "exempt" from overtime pay provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are an exempt employee, you will be advised that you are in this classification at the time you are hired, transferred, or promoted.

Health Examinations

Alconex Specialty Products reserves the right to require an employee to participate in a health examination, including random drug and alcohol testing to determine the employee's fitness to perform his/her essential job functions. The company shall pay for all such health exams.

Knowledge of Alconex Specialty Products

After having learned to competently perform your own duties, your next step is to familiarize yourself with other Alconex Specialty Products activities. This can prove valuable to you, our customers and Alconex Specialty Products as well. Alconex Specialty Products may provide additional "cross-training."

Non-Compete Agreement

Certain new employees, such as outside salespeople and others, may be required to sign a Non-Compete Agreement prepared by our attorneys as a condition of employment.

Proof of U.S. Citizenship and/or Right to Work

Federal regulations require that 1) before becoming employed, all applicants must complete and sign Federal Form I-9, Employment Eligibility Verification Form; and 2) all applicants who are hired need to present documents of identity and eligibility to work in the U. S.

Salesperson Agreement

When you are hired in or are promoted to the position of sales person, you will be asked to sign an agreement that cites certain terms and conditions regarding your position as salesperson. The purpose of this agreement, among other things, is to clearly establish the terms for commission payment, territory assignments, etc.

Security Checks

Alconex Specialty Products may exercise its right to inspect all packages and parcels entering and leaving our premises.

Work Schedule

The workweek begins on a Monday and ends on Friday. A normal workweek consists of five (5) consecutive days, Monday through Friday. A normal workday consists of eight (8) hours of work. At the discretion of Human Resources and management, alternative work schedules may be implemented.

Employees must record their starting and ending work time via electronic timekeeping system. All hours will be reviewed and approved before payroll processing.

Employment at will

Just as any employee may resign at any time for any reason, or for no reason at all, Alconex Specialty Products, Inc. reserves the right to release an employee at any time, for any reason, or for no reason at all, with or without notice.

Further, this Handbook neither implies nor establishes a contract between Alconex Specialty Products, Inc. and the employee. All employees of Alconex Specialty Products, Inc. are at will employees unless they have a written employment contract for a specific term with Alconex Specialty Products, Inc.

No manager or officer of Alconex Specialty Products, Inc. has the authority to enter into any agreement for employment for any specific period of time, or to make an agreement contrary to the provisions of this section, unless Human Resources make such changes in writing directed to an employee. This policy applies to all employees regardless of their length of service, and will continue to apply to their employment as long as they work for Alconex Specialty Products, Inc.

Alconex Specialty Products, Inc. retains the right to change any of the benefits, terms, and conditions of employment, including but not limited to, those terms set forth in this Handbook, without advance notice at Alconex Specialty Products, Inc. sole discretion. The most current Alconex Specialty Products, Inc. policies will be available in Human Resources.

Anniversary Date

The first day you report to work is your "official" anniversary date. Your anniversary date is used to compute various conditions and benefits described in this Handbook.

Separation

Separating employees are to be paid at full rate of pay through your last day worked. Payment will also include any unused earned MTO time. You are not paid for unused holidays. Please refer to the MTO policy for more information.

Upon separation, you must reimburse any monies owed to Alconex Specialty Products, Inc. In addition, any Alconex Specialty Products, Inc. property such as cellular phones, laptop computers, tools, uniforms, etc., must be returned to Alconex in good working condition on the last day of employment.

Attendance

The success of Alconex depends on each employee's job performance. Regular and punctual attendance is an essential part of job performance. Whenever possible, we ask that you conduct personal business and make appointments outside of your scheduled work hours. We recognize that there will be special circumstances that are beyond your control; however, Alconex must maintain a stable work force to meet our business needs.

You should notify your manager (or Administrative Assistant if your manager is unavailable) as far in advance as possible, but no later than one hour after your shift begins, whenever you are unable to report for work, know you will be late, or must leave early. You should also indicate when you can be expected to report for work.

Employees who do not notify Alconex of an absence as required will be subject to discipline up to and including termination. Employees may be required to certify that they are fit to return to work after a absence of 3 days. Employees who are absent for more than three (3) consecutive

days due to a serious health condition may be eligible for leave pursuant to the Family and Medical Leave Act of 1993(See FMLA policy and related obligations and requirements).

Employees who fail to call or report to work for two (2) consecutive days will be considered as having voluntarily resigned from employment at Alconex Specialty Products, Inc.

You are expected to report to work during inclement weather. If you are unable to report to work because of a declared natural disaster and/or weather emergency, unless excused by Alconex, you will be required to utilize MTO for the absence.

Unauthorized or excessive absences will result in disciplinary action, up to and including termination.

All non-exempt office personnel will be subject to the following disciplinary steps for excessive absenteeism:

- 1) **Verbal Warning** – Occurs after absences result in sixteen (16) hours of unexcused time during a rolling twelve-month period.
- 2) **Written Warning** – Occurs after absences result in thirty-two (32) hours of unexcused time during a rolling twelve-month period.
- 3) **Probation** – Occurs after absences result in forty (40) hours of unexcused time during a rolling twelve-month period.
- 4) **Termination**- Occurs after absences result in forty eight (48) hours of unexcused time during a rolling twelve-month period.

A “rolling twelve-month period” is defined as the twelve months prior to the present date.

Qualified absences for workers’ compensation, FMLA (if applicable), Jury Duty, Bereavement Leave, New child Leave, or Military Leave will not be counted as absences under this policy. Other absences due to lack of work, unforeseen business closing, company meetings, etc., will be excused if approved by Alconex.

Habitual offenders: Any employee who receives more than two (2) probations, as set forth above, in any twenty-four (24) month period is subject to immediate termination.

Partial or Complete Business Closing

If weather conditions or other unforeseen circumstances calls for less than normal business hours, you should call Alconex at (260) 744-3446 for further information and instructions. In extreme situations, local media may be notified as a means to communicate to employees regarding a change in normal business hours.

Unless level 1 or level 2 Snow emergencies are declared for Allen County, it is highly unlikely we will close or restrict business hours.

Position Vacancies

Alconex adheres to the following guidelines with regard to minimum qualifications for the employment or position changes of employees:

A job description is developed for each position and identifies minimum qualifications, duties, employment status, and job level. Job descriptions are reviewed periodically and updated as necessary by management and Human Resources. Promotion from within is desirable; however, employees will be considered together with other applicants on the basis of past work performance and minimum qualifications as identified in the job description. There is no promise or guarantee that internal applicants will receive any different consideration than an external applicant for an available position.

If a job opportunity becomes available, a job description will be posted for employees to express an interest in being considered for the position. Qualified employees may be considered outside of the normal posting procedure at the discretion of Human Resources. Only Human Resources has authority to provide offers for job vacancies.

Alconex will consider the employment of relatives along with other external candidates on the basis of their qualifications and experience. Employment of family members resulting in a supervisor/subordinate relationship or in a possible conflict of interest is not permitted. Family members are defined as spouse, sibling, child, and parent.

EMPLOYMENT VERIFICATION

Any inquiries which are received either verbally or in writing, regarding a present or past employee, are to be referred to Human Resources.

LAYOFF AND RECALL

Every effort will be made to maintain a steady level of employment. However, if a reduction in workforce becomes necessary due to low customer demand or other factors, layoffs shall be made at the sole discretion of Alconex Specialty Products, Inc.

If layoffs occur, they will be based on the following factors: (a) each employee's level of skill and proficiency; (b) past work record; (c) the ongoing production requirements of Alconex; and (d) the employee's time of service as the determining factor when all other considerations are equal. Laid off employees will be called back based on these same factors, with time of service again being the determining factor when all other factors are considered equal.

If you are laid off and called back within ninety (90) days, or a period of time equal to your length of service at layoff, or whichever is shorter, you will be reinstated with your original service date. Those not recalled within this time frame will be considered to have had their service with Alconex broken.

Recalls will be made by phone, in writing or certified mail to the last known address on file. If you fail to return or notify Alconex within a period of five (5) working days after the date of the certified mailing, you will be considered as having voluntarily resigned.

COMPENSATION

We believe, both individually and collectively, that the employees of Alconex Specialty Products, Inc. represent our company's most significant asset. Alconex's culture is to hire qualified individuals who meet and or exceed their necessary job requirements, our values and who demonstrate a commitment to excellence.

It is our intention to compensate our employees in a manner that is highly competitive with other employers in our community, and also within our industry. It is Alconex's policy to comply with applicable wage and hour laws and regulations. Accordingly, deductions will be made from your pay only as permitted by federal and state law.

Pay

Each paycheck pays you for the time worked in the current month. This monthly pay period begins on the 1st of the month and continues through the last day of the month.

Payday is the last Wednesday of every month. Upon completing the proper paperwork, you can be paid through direct deposit. Your pay will be automatically deposited into your checking and/or savings account(s) as directed by you.

Overtime (Non-exempt)

Due to the nature of our business, daily and weekly workloads change, thus making it periodically necessary to ask employees to work overtime. Overtime will be compensated in accordance with applicable State and Federal laws. Paid holidays and paid time off will not be included as "hours worked" for the purposes of calculating overtime pay.

All overtime must be pre-approved by your manager. If you are eligible for overtime pay, your electronic timesheet shall show that.

1. **Scheduled Overtime:** Scheduled overtime work is announced in advance and mandatory or voluntary as assigned by your supervisor. If you are scheduled to work overtime

(mandatory or voluntary) and are a no-show or are late it will be treated in accordance with the attendance policy. You will not be allowed to use MTO days if you do not work or are late. When you are scheduled to work overtime, you are making a commitment to be here.

2. **Incidental Overtime:** Incidental overtime is not scheduled; it becomes necessary in response to extenuating circumstances. It is extra time needed to complete work normally completed during regular hours. Incidental overtime may become necessary when an illness or emergency keeps co-workers from being at work as anticipated. It may require you to return to the workplace for emergency work. The opportunity to perform incidental overtime will be given first to the employee who normally performs the task. If that employee cannot perform the overtime, the manager will offer the overtime to a suitably qualified person who is available to perform the overtime work. If a volunteer is not found to perform the overtime, your supervisor may make your participation mandatory. Once the overtime becomes mandatory, failure to work scheduled overtime will be treated as an absence and will be subject to disciplinary action.

If you perform overtime work, you will be paid one and one-half (1-1/2) times your regular hourly wage for any time over forty (40) hours worked in a one (1) week period. This will be true in all cases. In all situations, you must work a full forty (40) hours during a one (1) week period before you will be eligible for any overtime pay. Using MTO does not qualify as time worked.

Deductions From Paycheck

Alconex Specialty Products is required by law to make certain deductions from your paycheck each time one is prepared. Among these are your federal, state and local income taxes and your contribution to Social Security as required by law. These deductions will be itemized on your check stub. The amount of the deductions may depend on your earnings and on the information you furnish on your W-4 form regarding the number of dependents/exemptions you claim. Any change in name, address, telephone number, marital status or number of exemptions must be reported to Human Resources immediately, to ensure proper credit for tax purposes. The W-2 form you receive each year indicates precisely how much of your earnings were deducted for these purposes.

Any other deductions to be made from your paycheck, such as court-ordered attachments, will be explained whenever Alconex Specialty Products is ordered to make such deductions.

Work Performed on Company Holidays

Full-time "non-exempt" employees will receive their normal wages for a Company paid holiday, plus they will be paid for hours worked on the holiday at their normal rate per hour. The normal rate per hour will be at their straight time rate if the hours worked during the week in which the holiday occurs is less than or equal to forty (40) hours. An overtime rate will be paid if more than forty hours are worked during the week in which the holiday occurs.

Performance Management

Open Door Policy

We wish to maintain a close relationship and open channels of communication with all our employees. Alconex Specialty Products, Inc. will continue to be, an open door policy under which you have the right to deal directly with your manager and other Alconex officials with regard to all working conditions on an individual basis.

Your manager is your best and fastest source of information. You are encouraged to discuss your ideas, suggestions, concerns, or problems with your manager at any time. We want you to feel comfortable offering recommendations and improvement regarding our operations. We strongly encourage you to discuss matters throughout the course of your work. In the event you would not feel comfortable addressing concerns with your manager, you should contact Human Resources.

Performance Evaluations

Alconex has a practice of performing periodic employee performance evaluations. You will be evaluated after the first 30, 60 and 90 days of employment and on an annual basis thereafter. A review may also be conducted in the event of a promotion or change in duties and responsibilities.

The purpose of this evaluation is to give an objective evaluation and recognition for work accomplished, as well as to establish mutual goals for future development. It is an opportunity to discuss your skills, abilities, and job performance, and to resolve any problems in these areas.

The completed evaluation forms will be discussed in confidence, and signed by you as acknowledgment of having read the evaluation. It will be placed in your personnel file and will become part of your permanent record.

BENEFITS

The following benefits under this section are only available to employees who are regularly scheduled to work 40 hours per week subject to meeting the specific requirement for each benefit as set forth below.

Medical and **Dental Insurance**

Alconex offers health and dental insurance to full-time employees. You must work at Alconex for a total of ninety (90) days before you will be eligible for insurance. Specific policy coverage, enrollment forms and other pertinent information, will be provided by Human Resources.

Alconex will pay a portion of the health premium for each employee. The remainder of the premium for this benefit will be deducted from your monthly paycheck beginning with the current pay cycle in which the coverage becomes effective. (Single coverage insurance for employees with 10+ years of service will not have a deduction taken from their paycheck) Your premium will be through a pre-tax payroll deduction. For an additional premium, you may elect to cover eligible dependents on your plan.

At this time Dental premiums will be paid 100% by Alconex.

Please see the appropriate Summary Plan Description for a detailed outline of these benefits.

Termination of Insurance

Your insurance will terminate when the insurance policy terminates, when you fail to make an agreed contribution to premium when due, when you cease to be eligible for coverage under the terms of our group insurance program, or when you cease to be employed as a regular full-time employee eligible for the insurance.

Profit Sharing 401 (k) **Savings Plan**

Alconex is pleased to offer a Profit Sharing 401(k) Savings Plan to eligible employees. You must complete one (1) year of service, be 21 years of age, and work over 1000 hours between your hire date and enrollment date to be eligible to participate in this plan. Enrollment dates are January 1 and July 1 of each year. Once enrolled, you may change your plan election on a monthly basis.

You may contribute a portion of your gross pay, each pay period, to the 401(k) Plan up to the IRS maximum. All contributions to the Plan are made on a pretax basis which protects the funds from current taxation.

More information will be provided to you upon eligibility for enrollment in the Plan. The Profit Sharing 401(k) Plan Description will be issued to employees participating in the Plan. This document governs all issues relating to the Plan.

Please direct any questions to Human Resources.

Workers Compensation

Worker's Compensation provides coverage for on-the-job accidents and injuries according to the State's regulations. Alconex pays the full cost of this benefit which helps to pay medical bills and provides continuing income should you become temporarily or permanently disabled as a result of a work-related injury or illness.

Any employee suffering a work-related injury or illness must immediately report it to his/her manager. The employee will then be directed to the appropriate medical facility for initial treatment as necessary.

Unemployment Compensation

Alconex Specialty Products pays a percentage of its payroll to the Unemployment Compensation Fund according to Alconex's employment history. If you become unemployed, you may be eligible for unemployment compensation, under certain conditions, for a limited period of time. Unemployment compensation provides temporary income for workers who have lost their jobs. To be eligible you must have earned a certain amount and you must be willing and able to work. You should apply for benefits through your local State Unemployment Office as soon as possible. Alconex Specialty Products pays the entire cost of this insurance.

Social Security

The United States Government operates a system of contributory insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which benefits are paid. As your employer, Alconex Specialty Products is required to deduct this amount from each paycheck you receive. In addition, Alconex Specialty Products matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits.

Holidays

Alconex provides regular full-time employees nine (8) paid holidays each year. You are not eligible to receive holiday pay if you have been employed for less than 90 ninety days, if you are a part-time or temporary employee.

The following days are observed:

New Year's Day	(January 1)
Memorial Day	(Last Monday in May)
Independence Day	(July 4)
Labor Day	(First Monday in September)
Thanksgiving	(Fourth Thursday & Friday in November)
Christmas Eve	December 24
Christmas Day	December 25

Typically, when a holiday falls on a Saturday, it will be observed on Friday. When a holiday falls on a Sunday, it will be observed on Monday.

Holiday schedules will be published annually during the fourth quarter for the following calendar year. Any deviation from the holiday schedule will be announced in advance.

You may take time off to observe your religious holidays. Your MTO time, if approved 24 hours in advance, may be used for this purpose, otherwise the time off is without pay.

We schedule the above national holidays on the day designated by common business practice.

If a holiday occurs during your scheduled day off it will not be counted towards your earned time off. In order to qualify for holiday pay, you must work the scheduled workday immediately before and after the holiday. Only excused absences for previously approved MTO time will be considered an exception to this policy.

You are not eligible to receive holiday pay when you are on an unpaid leave of absence.

Managed Time Off

Alconex Specialty Products, Inc. recognizes that you have diverse needs for time away from work and believes that you should have opportunities to enjoy time off to help balance your work and personal life. To provide a flexible approach to time off, effective March 1, 2010, Alconex will transition to a Managed Time Off (MTO) policy as outlined below. Please note that the provisions of this policy may be modified from time to time as necessary to comply with Federal and State wage and hour laws.

You are not eligible for MTO during your Probationary Period, nor are you eligible for MTO if you are a part-time or temporary employee.

Earning Managed Time Off (MTO)

As an exempt/non-exempt employee, you are eligible for paid MTO, which provides for time away from work for any purpose. You are accountable and responsible for managing your own MTO hours to accommodate for any paid time away from work.

Based on hire date you will accrue paid MTO during your first year of employment according to the pro-rated schedule below:

Hire Month	Paid MTO Days
January- February	6 (48 hours)
March-April	5 (40 hours)
May-June	4 (32 hours)
July-August	3 (24 hours)
September-October	2 (16 hours)
November-December	1 (8 hours)

On January 1 of the calendar year following your hire date, and every year thereafter, you will accrue MTO according to the schedule below:

Length of Service	Paid MTO Days
1-4 years	16 days (128 hours)
5-14 years	21 days (168 hours)
15-22 years	26 days(208 hours)
23+ years	31 days (248 hours)

You will only accrue MTO by being continuously employed by Alconex Specialty Products, Inc. through January 1 of the following year. If you separate from employment for any reason, voluntarily or involuntarily, you will not receive a pro-rated share of unaccrued MTO based on work performed prior to reaching January 1 of the following year.

Exempt and non-exempt salaried employees working forty hours or more per week are eligible for MTO. Should your hours change to less than forty hours per week status, MTO eligibility will commence on the date of the status change.

Availability and Use of Paid MTO

The smallest allowable increment of MTO is one hour (with exception of leave provided by the FMLA, if applicable).

Persons who are responsible for taking month end physical inventories may not schedule MTO days on the first or last day of the month. If any conflicts arise in requests for time, preference will be given to the employee whose request was submitted and approved first.

You must exhaust all MTO prior to taking uncompensated time off. Uncompensated unexcused time off is cause for disciplinary action up to and including termination. Please refer to the Attendance Policy for further information.

You are required to submit time off work requests via the electronic system for approval by your manager. You should request MTO as far in advance as possible, but at a minimum of 24 hours prior to a foreseeable absence. You should notify your manager immediately for unplanned MTO such as illness, emergencies, etc., and this time should be recorded upon returning to work.

Alconex reserves the right to limit or suspend the use of MTO for the following reasons: peak business times, special projects, low staffing levels, or as business needs necessitate. Your manager has the final decision whether to approve or decline a request for MTO.

Carryover of Unused MTO

You are encouraged to use MTO during the calendar year in which it is accrued. However, there may be valid reasons why and you can not take all accrued time off within the calendar year. Therefore, at each calendar year end, you may carry over accrued, but unused MTO into a "bank" of hours that may be used in the future. You may not accumulate more than 80 hours in your MTO bank. If you have more than 80 hours of unused MTO, you may bank the maximum

of 80 hours and any overage will carry over and reduce the following year's potential MTO to be earned by the same amount carried over.

For example, if an employee in her eighth year of employment has accrued 20 days of MTO but only used five days during that year, she has 15 days of MTO left. The following calendar year (employees' ninth year), she could bank ten days (80 hours) and carry over the remaining five days (40 hours). That carryover of five MTO days would reduce the following year's potential MTO to 15 days (20 days – 5 days). That would mean in the ninth year, the employee would have five MTO carryover days + 15 MTO days from the ninth year, as well as the ten MTO days in the bank for a total of 30 MTO days.

Each "day" of MTO is eight hours of pay at the regular rate of pay at the time of taking the MTO. No accrued, unused MTO will be paid out at calendar year end in lieu of banking hours or carrying them over.

MTO and Unpaid Leaves of Absences

With the exception of New Child Leave, you will be required to exhaust all available MTO before being considered for unpaid time off for approved unpaid leaves of absence. MTO will run concurrently with FMLA leave as applicable in accordance with Alconex policy. Please refer to the Family Medical Leave Act for further information.

Payment upon Retirement, Resignation or Termination

Employees who separate from employment with Alconex will be paid for any earned, unused MTO. Employees making a change in status from full time to part time will also be paid for any earned, unused MTO. However, if an employee changes from full time to part time status in a calendar year (for any reason), a subsequent change back to full time status within the same calendar year will not permit an employee to an additional accrual for MTO for the calendar year. If you separate from employment for any reason, voluntarily or involuntarily, or change from full time to part-time status, you will not receive a pro-rated share of unaccrued MTO based on worked performed prior to reaching January 1 of the following year.

Leave Of Absence Policy

This policy is intended to describe the various circumstances in which a leave of absence may be obtained by employees and the procedures to be followed in connection with leave requests. As described herein, categories of leave consist of:

- Family and Medical Leave Act of 1993
- Indiana Military Family Leave
- Jury Duty Leave
- Bereavement Leave
- Military Reserve Duty Leave
- New Child Leave
- Personal Leave

Any questions regarding specific laws should be directed to Human Resources.

Family and Medical Leave Act

Pursuant to the Family and Medical Leave Act of 1993 ("FMLA") Alconex will provide up to twelve (12) weeks of leave (or twenty-six (26) weeks in the case of Servicemember Leave) in a rolling twelve-month period (measured backward from the date you use any leave under the policy) to eligible qualified employees for the following reasons (collectively "FMLA Leave"):

1. To care for a son or daughter after the birth of that son or daughter or to care for a son or daughter placed with the employee for adoption or foster care (hereinafter referred to as "New Child Leave") and/or
2. To care for your spouse, son, daughter, or parent who has a condition defined as a "serious health condition" (hereinafter referred to as "Family Medical Leave")
3. To care for your own condition defined as a "serious health condition" which renders you unable to perform your job. (hereinafter referred to as "Employee Medical Leave").
4. Because of any qualifying exigency (as defined by applicable Department of Labor regulation) arising out of the fact that your spouse, son, daughter, or parent is on active duty (or has been notified of an impending call or order to active duty in the Armed Forces (hereinafter referred to as "Qualifying Exigency Leave").
5. To care for a covered family member who has incurred a serious injury or illness in the line of duty while on active duty in the Armed Forces provided that such injury or illness may render the family member unfit to perform duties of the member's office, grade, rank, or rating (hereinafter referred to as Servicemember Family Leave")

Eligible Employees

You are eligible for FMLA Leave only if you have been employed with Alconex for at least twelve (12) months and have worked at least 1,250 hours during the past twelve (12) months.

You are eligible for Service member Family Leave to care for a covered servicemember with a "serious injury illness" if, in addition to meeting the eligibility requirements listed above, you are the spouse, son, daughter, or next of kin of a covered servicemember who is needed to care for the servicemember.

Serious Health Condition

A "serious health condition" is defined as an injury, illness, physical or mental condition that requires inpatient hospital care or continuing treatment by a health care provider or as otherwise defined by applicable regulation or law.

Serious Injury or Illness

A member of the Armed Forces is said to suffer from a "serious injury or illness" if they have incurred such injury or illness in the line of duty on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating.

Amount of FMLA Leave

You are not entitled to more than a total of twelve (12) work weeks of New Child Leave, Family Medical Leave, Employee Medical Leave, and Qualifying Exigency Leave during a rolling twelve-month period.

You are not entitled to more than a total of twenty six (26) work weeks of leave in a rolling twelve-month period if Servicemember Family Leave is combined with the leaves mentioned in the prior paragraph.

Manner in Which Leave May Be Taken

New child Leave must be taken and completed within twelve (12) months of the birth of your child or within twelve (12) months of the placement of a child with you for adoption or foster care. New Child Leave must be taken continuously. It may not be taken on an intermittent or reduced leave basis except with express written consent of Alconex.

Family Medical Leave, Employee Medical Leave, Qualifying Exigency Leave, and Servicemember Leave may be taken on an intermittent or reduced leave schedule if you provide appropriate medical certification setting forth the need for the intermittent or reduced schedule leave. (See Medical Certification provisions below). In the case of a Qualifying Exigency leave related to a active duty or call to active duty, you must provide a certification and/or documentation of the call to active duty. If you take intermittent leave which necessitates an absence for only part of a shift, you are expected to report back to work to complete the remainder of the scheduled shift (if applicable), unless specifically authorized by your manager prior to departure.

Request for Leave

You must provide Human Resources with sufficient information to support a determination that the leave qualifies as FMLA Leave. FMLA Leave request forms are available from Human Resources.

Request for a leave qualifying as FMLA Leave must be made at least thirty (30) days prior to the first date of the requested leave, if practicable. If you request leave as a Qualifying Exigency Leave for active duty of a family member, you must provide prior notice to Human Resources as is reasonable and practical under the circumstances.

If the need for a leave qualifying as FMLA Leave is not foreseeable thirty (30) days in advance, you must request the leave as soon as the need for the leave becomes foreseeable. If you are unable to provide any advance warning or a leave qualifying as a FMLA Leave, you must notify

Human Resources of your intent of requesting such a leave within one to two days of becoming aware of the need for leave.

If you do not provide information and notice in accordance with the above provisions, the absence will not be considered FMLA Leave and will be dealt with in accordance with Alconex Specialty Products, Inc. attendance policy.

Scheduling Planned Treatment

In the event you need Family Medical Leave or Employee Medical Leave for planned medical treatment for a qualifying serious health condition, you must make reasonable effort to schedule the treatment so as not to unduly disrupt Alconex's operations. You are expected to consult with Human Resources prior to scheduling treatment in order to work out a treatment schedule which best suits the needs of you and Alconex.

Medical Certification

Family Medical Leave, Employee Medical Leave, and Servicemember Leave must be supported by certification from a health care provider. If you are absent from work because of your own serious health condition, the serious health condition, or the serious injury or illness of a family member, you must have your health care provider complete Alconex's Medical Certification form, which is available from Human Resources. You should direct your health care provider to give complete answers to the information requested on the Medical Certification. This information is necessary for Human Resources to ascertain whether an absence qualifies as FMLA Leave.

Failure to timely provide (within 15 days of a written request for such Certification) a completely answered Company Medical Certificate to support a medically-related absence may result in disqualification of the absence as FMLA Leave.

Exhaustion of MTO Time off as Part of Leave

You are required to use, at the beginning of a FMLA Leave, any unused MTO you may have. All days used will also count as part of the 12-week (or 26-week, if it is for qualifying Servicemember Leave) leave period available. If you are on Worker's compensation, you may also have that time counted as running concurrently with the FMLA leave. However, you will not be required to use unused MTO if you are on a qualifying Worker's Compensation leave.

Pay During Leave

All FMLA Leaves are unpaid.

Group Medical Insurance

If you normally pay a portion of premiums for your group health insurance, these payment obligations will continue during the period of FMLA leave.

If you fail to return from FMLA Leave, you may be required to reimburse Alconex for all group medical insurance premiums paid by the company during your leave, to the extent permitted by the FMLA.

Keeping the Company Informed

You must keep Human Resources apprised of your leave of absence status while on leave, including your intent to return to Alconex at the end of your leave.

Reinstatement

When you return from an FMLA Leave, Alconex will restore you to the position you held when the leave commenced or to the same or equivalent position with equivalent benefits. Employees on leave shall be required to submit a fitness for duty certification in order to be reinstated.

Indiana Military Family Leave Act

Under Indiana law, employees who have been employed by Alconex for at least twelve (12) months and have worked at least 1,500 hours during the past twelve (12) months are eligible for Military Family Leave. You may take this leave when a spouse, parent, grandparent, or sibling is ordered to active duty. You may take a leave of absence during one or more of the following periods:

- During the 30-day period before your family member's active duty orders are in effect.
- During a period in which your family member ordered to active duty is on leave while active duty orders are in effect.
- During the 30-day period after your family member's active duty orders are terminated.

You are allowed to take up to ten (10) days of unpaid Military Family Leave each year. If you take Military Family Leave, Alconex may require you to take any MTO time for any part of the Military Family Leave requested to run concurrently with that period.

If you want to take a Military Family Leave of absence, you must provide Alconex with 30 days written notice, including a copy of your family member's active duty orders. If you fail to provide Alconex with verification of your eligibility for leave, Alconex may consider your absence to be unexcused.

Jury Duty Leave

Serving on a jury, when called, is a civic duty and as such is fully recognized and supported by Alconex. Notice of jury duty service, time period for serving, and calls to appear must be provided to your supervisor as soon as you have received such notices. Your supervisor will then notify Human Resources.

You will be allowed to use your MTO. If no MTO time remains you will be permitted time off... without pay.

If, as a second or third shift employee, you are called for jury duty and serve a full eight-hour day, you will not be required to work your normal shift that evening. You will be allowed to use remaining MTO.

Upon returning from jury duty, you must give the release form from the court to Human Resources.

Bereavement Leave

Alconex believes in providing employees with the time necessary to attend the funeral of immediate family members.

You are entitled time off **with pay** for the death of any of the following immediate family members as outlined below:

Relationship (to you or your spouse, including step-relations)

Spouse, child, or parent

Sibling, grandparent, or grandchild

Time Allowed

Up to 5 days

paid

Up to 3 days

paid

If you have exhausted all MTO and long distance travel or unusual circumstances are involved, additional unpaid, excused time may be authorized. Requests for unpaid, excused time off will be considered on a case-by-case basis.

Unless unusual circumstances apply, **paid** Bereavement Leave days should be taken consecutively. You should provide your supervisor with as much notice as possible of the need for leave. Evidence of funeral attendance may be requested.

Military Reserve Duty Leave

Employees who are members of the Armed Forces, National Guard, Naval Militia, as well as the Reserves, are entitled to temporary leave without pay while engaged in military duty ordered for purposes of military training, drills, encampment, naval cruises, special exercises, or like activity, including time going to and returning from duty. This excused absence is in addition to any eligible paid time off. If you are seeking such leave, you must provide notice, if possible, prior to the absence and documentation of the required military training and/or service.

In addition, in accordance with Federal law, you will be granted an unpaid leave of absence if you are called to active duty in any of the Armed Forces of the United States.

Such leaves, as mentioned above, are without pay from Alconex, except for employees who are eligible for MTO and wish to use it for this purpose. Other military leave provided for (active or reserve), military duty will not be compensated, except as required by applicable State and/or Federal laws.

If you are a full-time employee and are inducted into the US Armed Forces, you will be eligible for re-employment after completing military service, provided:

1. You show your orders to your supervisor as soon as you receive them.
 2. You satisfactorily complete your active duty service.
 3. You enter the military service directly from your employment with Alconex
1. You apply for and are available for re-employment within ninety (90) days after discharge from active duty. If you are returning from up to six (6) months active duty for training, you must apply within a reasonable time (usually thirty (30) days) after discharge.

New Child Leave

If you are in the first year of employment, and do not otherwise qualify for FMLA, you may be eligible for a New Child Leave of Absence for the birth of your child or the placement of your child for adoption or foster care. Unless otherwise mandated by State law, New Child Leave is unpaid for a period not to exceed six (6) weeks. You may choose whether to use some of your MTO during the six week period. However, an employee who chooses to take the New Child Leave as unpaid may not take MTO time directly after the New Child Leave of Absence to extend the time period.

Request for such leave should be made in writing as far in advance as possible. New Child Leave which covers a holiday does not entitle you to holiday pay. During an approved New Child Leave period, insurance benefits will be continued on the same terms and conditions that existed while actively working. If you make contributions for insurance benefits, you must continue to make those payments through arrangements with Human Resources. If additional time off is required, it will be considered on a case by case basis.

Personal Leave

Any leave other than FMLA leave, Jury Duty Leave, Bereavement Leave, Military Reserve Duty Leave, or New Child Leave is considered to be unpaid Personal Leave. For example, if you have worked for the company for less than 12 consecutive months or less than 1,250 hours in the past 12 months, you would be ineligible for FMLA leave. Leaves of absence for personal reasons are discouraged but may be granted in rare and special circumstances. You must exhaust all eligible MTO before taking Personal Leave.

Request for such leave should be made in writing as far in advance as possible. Decisions regarding Personal Leave request will generally take into account the importance of the leave, your attendance, performance, and Alconex's personnel needs. Personal Leaves will be granted at the discretion of Human Resources and the Department manager.

During an approved Personal Leave period, insurance benefits will be continued on the same terms and conditions that existed while actively working. If you make contributions for insurances, you must continue to make those payments through arrangements with Human Resources.

If an approved personal leave does not exceed 30 days upon return from leave you will be restored to your previous position or an equivalent position. If leave exceeds 30 days, Alconex cannot provide this assurance. Should you notify Alconex of resignation during the leave, the notification date will be considered as the effective date of separation.

Company Policies

Disciplinary Policy

Just as it is well recognized that rules are necessary to protect the rights and properties of all parties concerned, it is recognized that when rules are violated, it becomes necessary to take positive action to encourage a change in behavior.

When an employee violates a rule or regulation, he or she may be disciplined according to the nature of the offense.

(For discipline pertaining to attendance please see page 9)

Generally violations will be treated in accordance with progressive discipline in an attempt to provide employees with notice of deficiencies and an opportunity to improve under the following guidelines:

1. Verbal
2. Written Warning
3. Suspension
4. Discharge

Alconex does, however, reserve the right to bypass any step of the normal progressive discipline procedure. As a result, individuals could be subject to immediate termination based on the severity of the circumstances.

Oral (verbal) Consultation: May be given by a manager or supervisor, as a matter of information and training, but such discussion will not be considered as formal discipline. However, a written documentation signed (by employee and supervisor) summarizing the discussion will be documented and filed.

Initial discipline for a particular offense is normally a written warning followed by suspension without pay and finally discharge for recurrent of the same or similar offense.

For the purposes of progressive discipline, for disciplinary record purposes, discipline may progress from written warning to suspension or to discharge, depending on the circumstances and offenses.

Whether or not the employee has received a written warning, a suspension or discharge may be imposed when the seriousness of an individual offense and/or the employees' accumulated employment record indicates that such action is required.

Generally, a suspension given as discipline will be for not less than three (3) working days. In instances where it is appropriate for the employee to be off the Company's property immediately while the Company investigates the incident, as in suspected theft, fighting or gross insubordination, the employee may be suspended without pay for more or less than three days while investigation of the incident proceeds. After completion of the investigation, a final decision of discipline will be reached and the employee notified.

Probationary

For the purposes of this disciplinary procedure, employees who have not completed their probationary period (90 calendar days) may be released without the necessity of following any of the above steps. The Company reserves the right to discipline such employees without following any fixed procedure, and such action shall not be the subject of challenge or debate.

Policy Against Workplace Violence

Alconex has adopted this policy because we recognize workplace violence is a growing, nationwide problem which needs to be addressed by all employers. Consistent with this policy, acts or threats of physical violence, including intimidation, harassment, and/or coercion, which involve or affect Alconex, or which occurs on Alconex premises (defined as all real property owned by Alconex, including building and parking lot) will not be tolerated.

Acts or threats of violence include conduct which is sufficiently severe, offensive, or intimidating to alter the employment conditions at Alconex or to create a hostile, abusive, or intimidating work environment for one or several employees. Examples of workplace violence include, but are not limited to, the following:

- All threats or acts of violence occurring on Alconex premises, regardless of the relationship between Alconex and the parties involved in the accident.
- All threats or acts of violence occurring off Alconex premises involving someone who is acting in the capacity of a Alconex representative.
- All threats or acts of violence occurring off Alconex premises involving employees of Alconex if the threat or acts affect the legitimate interest of Alconex.

Specific examples of conduct which may be considered threats or acts of violence include, but are not limited to the following:

- Hitting or shoving an individual
- Threatening to harm an individual or his/her family, friends, employees, or property.
- The intentional destruction or threat of destruction of Alconex property.
-

- Harassing or threatening communications of any kind (phone calls, written notes, letters, e-mails, or text messages).
- Harassing surveillance or stalking.
- The suggestion or intimidation that violence is appropriate.
- Possession and/or use of firearms or weapons on company space.

Alconex prohibition against threats and acts of violence applies to all persons in the company, including but not limited to Alconex personnel, contract workers and anyone else on company property. Violations of this policy by an individual on Alconex property, by an individual acting as a representative of Alconex while off company property, or by any individual acting off of company property when his/her actions affect Alconex's business interest will lead to disciplinary action (up to and including termination) and/or legal action as appropriate.

Every employee and every person on Alconex's property is encouraged to report incidents of threats or acts of physical violence of which he/she is aware. The report should be made to Human Resources, the reporting individual's supervisor, or manager if the supervisor is not available. Nothing in this policy alters any other reporting obligation established in Alconex's policies, or in state, federal, or other applicable law.

Anti-Harassment Policy

It is the commitment of Alconex to provide a workplace free of tensions involving matters which do not relate to the company's business and one in which all individuals are treated with courtesy and respect. Harassment may be related to any of the discriminatory grounds contained in Human Rights legislation, which includes ethnic, racial, sexual and other personal discriminatory matters. Any action, whether they are verbal, physical or other which involve these subjects, and which are unsolicited, unwelcome, or ought to be known to be unwelcome, shall be considered harassment.

Alconex will not tolerate:

Verbal or physical abuse or harassment in the workplace. This includes dealings with fellow employees, supervisors, subordinates, clients, suppliers and/or visitors. Crude, offensive and/or unwelcome comments or vocabulary is not acceptable. Verbal confrontations will be avoided by conducting potentially controversial discussion in private. Any employee who is subjected to abuse or harassment should immediately report the circumstances to a supervisor, manager and/or human resources.

The display or distribution of slogans, pictures or other visual or written material which is offensive, vulgar, promotes illegal activities or jeopardizes client confidence. All employees are expected to ensure that such things are promptly removed from the workplace by immediately reporting them to their supervisor.

Statement of Policy

Alconex is committed to a collegial work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in an atmosphere that promotes equal opportunities and prohibits discriminatory practices, including sexual and

other forms of unlawful harassment. Therefore the company expects that all relationships among persons in the facility be businesslike and free of bias, prejudice and harassment. In keeping with this commitment, the company maintains a strict policy prohibiting harassment of employees based on race, color, sex, religion, national origin, age, disability or other protected status by other employees, vendors, contractors or guests.

Sexual Harassment

Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. For the purpose of this policy, sexual harassment is defined in the Equal Employment Opportunity Commissions Guidelines as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of sexual nature when for example: (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individuals employment (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual or (3) such conduct has the purpose or affect of unreasonably interfering with an individuals work performance or creating and intimidating, hostile or offensive working environment.

Sexual harassment may include a range from subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances these behaviors may include but are not limited to the following if they are unwelcome to any employee exposed to the behavior: unwanted sexual advances, subtle or overt pressure for sexual favors, sexual jokes, innuendos, advances or propositions, verbal abuse of a sexual nature, graphic commentary about an individual's body, sexual prowess or sexual deficiencies, leering, whistling, touching, pinching, assault, coerced sexual acts or suggestive, insulting or obscene comments or gestures, display in the workplace of sexual suggestive objects or pictures and other physical, verbal or visual conduct of a sexual nature. This kind of behavior is unacceptable at the workplace and in any work-related setting outside the workplace such as during business trips and business-related social events.

Given the nature of this type of conduct and the serious effects such conduct can have on the person harassed and the accused, Alconex treats alleged violations of this policy seriously and, to the extent possible, confidentially. Alconex expects all individuals to treat alleged violations in the same responsible manner.

If you believe you or any other employee is being subjected to conduct or comments that violate this policy, you are encouraged to and have a responsibility to immediately report these matters to a manager and Human Resources.

No action will be taken against any employee because he or she truthfully reports behavior believed to violate this policy. Information about the complaint will only be shared on a need-to-know basis. All employees are assured that action will be taken to investigate and resolve complains and that Alconex is firm in our commitment to maintaining and environment free of discrimination and harassment.

Violations of this policy will not be tolerated and will result in appropriate disciplinary action, up to and including termination. Please help us create a work environment free from discrimination and harassment.

Reporting

Alconex Specialty Products accepts no liability for harassment of one employee by another employee. The individual who makes unwelcome advances, threatens or in any way harasses another employee is personally liable for such actions and their consequences. Alconex Specialty Products will not provide legal, financial or any other assistance to an individual accused of harassment if a legal complaint is filed.

Substance Abuse Policy

Employees who abuse alcohol and/or drugs are a potential safety threat to themselves and others based on their impairment. Moreover, the decreased productivity of these individuals because of absenteeism, turnover, and substandard quality of work adversely affects Alconex's ability to compete in the marketplace. It is the intent of Alconex to balance respect for individual privacy with our need to maintain a safe, productive, drug-free, and alcohol-free environment. Therefore, Alconex has a no tolerance policy regarding substance abuse.

Any employee determined to be in violation of our post-offer, pre-employment, post-accident, or reasonable suspicion policy is subject to disciplinary action, up to and including, immediate termination or in the case of pre-employment testing, the withdrawal of a conditional offer.

This policy prohibits the possession, use, purchase, or sale of illegal drugs, drug paraphernalia, or alcohol on Alconex's property or premises (including building, parking lots, company owned or leased land, or vehicles, etc.). The exception to this policy is with respect to the consumption of alcohol at company sponsored events held on company premises, outside of working hours. Even at such events where alcohol may be served, employees are still expected to conduct themselves in a professional manner and company with applicable Alconex policies.

This policy also prohibits employees from reporting to work under the influence of illegal substances or with alcohol in their systems greater than the detectable standards as established by Alconex. For purposes of this policy, the term "illegal drugs" includes controlled substances that are not legally obtainable as well as legally obtainable drugs that were not lawfully obtained or which were in a unprescribed fashion. Employees believed to be under the influence of illegal substances or with alcohol in their systems will be required to submit to a drug and alcohol test.

Alcohol or drug screening will be required for employees and/or applicants in the following circumstances:

Pre-employment Screening

Pre-employment drug screenings will be conducted after an offer of employment has been extended to an applicant applying for part-time or full-time employment. Applicants who fail to pass the screening will have their conditional offer revoked.

Reasonable Cause

It is a condition of employment that employees may be required to submit to Alconex approved drug and/alcohol tests under circumstances that include (a) when there is reasonable suspicion

and Alconex believes that an employee is under the influence of illegal substances or alcohol; (b) when there is an on-the-job accident in which the employee suffers a work-related injury requiring medical attention; or (c) when the employee is responsible for damage (other than minimal) to property including Alconex property or personal injury to any other party, including a co-worker. Employees should be aware that testing under this policy is a condition of employment and refusal to submit to such testing is grounds for terminations.

A search of an employee and his/her personal property may be conducted when there is reason to believe that the employee is in violation of this or other Alconex policies. The right of Alconex to search an employee includes, but is not limited to, the inspection of vehicles (except as may be limited by applicable state or local law), parcels, packages, purses, lunch boxes, brief cases, work stations, desks, lockers, and any other item on Alconex's premises. Employees do not have a legitimate expectation of privacy in any item, container, or vehicle on company premises regardless if the same is issued or owned by Alconex or not. Any employee's consent to such search is required as a condition of employment. The employee's refusal to cooperate with such a request is grounds for termination.

Any questions regarding this policy should be direct to Human Resources.

Safety Policy

Alconex is committed to providing a safe work environment for our employees and visitors. We will comply with the appropriate safety and security laws and regulations established by the Occupational Safety and Health Act (OSHA) and any other relevant governmental agencies. We believe all injuries and accidents are preventable through the establishment and compliance of safe work practices. The prevention of bodily injury and the safeguarding of health are the first considerations in all workplace actions and are the responsibility of every employee.

You are responsible for following safe work procedures. Violations of the following are not acceptable and will be addressed as a performance issue resulting in disciplinary action up to and including termination. The list below is not intended to be an all inclusive list.

- Operating a fork truck without management's authorization
- Failing to keep work and break areas orderly
- Failing to wear required personal protective equipment (i.e., proper shoes, safety glasses, etc.).
- Smoking inside Alconex Specialty Products, Inc.
- Failing to keep areas around fire extinguishers and electrical panels clear.
- Failing to be alert and use caution when operating equipment
- Altering, adjusting or removing any guards or safety devices unless authorized by management to do so.

Please report all injuries (no matter how slight) to your supervisor immediately, as well as anything that needs repair or is a safety hazard. Below are some general safety rules. Your manager or department head may post other safety procedures in your department or work area:

- Avoid overloading electrical outlets with too many appliances or machines.
- Use flammable items, such as cleaning fluids, with caution.
- Walk—don't run
- Report to your supervisor if you or a co-worker becomes ill or is injured.
- Ask for assistance when lifting heavy objects or moving heavy furniture.
- Avoid "horseplay" or practical jokes.
- Start work on any machine only after safety procedures and requirements have been explained (and you understand them).
- Use air hoses only for the use intended. Avoid blowing air at your self or anyone else.
- Wear appropriate personal protective equipment, like shoes, gloves, goggles, hats, hearing protectors, etc. in designated areas or when working on an operation which requires their uses.
- Stack materials only to safe heights.
- Watch out for the safety of fellow employees.
- Use the right tool for the job, and use it correctly,
- Wear gloves whenever handling scrap, wire, rod, tooling, etc.
- Machine guards must be in place while machines are in operations.
- Loose clothing, jewelry or rings must be removed before operating machinery.

Motor Vehicle Policy

You are expected to operate vehicles in a safe and responsible manner and to adhere to the responsibilities outlined within this policy. It is our intention that through our efforts and the commitment of our employees we will attempt to prevent vehicle accidents which may result in personal injury and property loss.

This policy applies to all employees who operate company-owned motor vehicles or personal motor vehicles in the scope of conducting Alconex business.

If you are authorized to use an Alconex Specialty Products vehicle for company business, you must adhere to the following rules:

1. You must possess a valid drivers license and be at least 21 years of age.
2. You are responsible for paying any moving violation tickets. Also, please park appropriately -- Alconex will not pay parking violations.
3. You must not allow persons not authorized or employed by Alconex Specialty Products to operate or ride in a company vehicle.

Employees who drive their personal vehicles for the performance of company business are subject to the following requirements:

- Maintain auto liability insurance with minimum limits for bodily injury and property damage.
- Maintain their vehicle in a safe operating condition when driven for the performance of company business.

You must abide by all applicable Federal, State, and local motor vehicle regulations, laws and ordinances, and are responsible for ensuring your vehicle and/or the company's vehicle is maintained in safe driving condition.

Traffic Violations

If you are authorized to operate a company vehicle in the course of your assigned work, or if you operate your own vehicle in performing your job, you will be considered completely responsible for any accidents (that are caused by violating any traffic laws), fines or traffic violations incurred.

All accidents must be reported to Alconex within 24 hours of the incident. The accident will be investigated, documented, and reviewed by Alconex.

Professional Code of Conduct

Alconex expects you to conduct yourself in a manner consistent with the highest standard of ethical business conduct as well as with Alconex's Core Values. In addition to other policies outlined in the Handbook, you should familiarize yourself with the principles described below and apply them to any and all circumstances which may arise.

The matters addressed in this code are sufficiently important that any lapse in judgment within the areas covered here may be considered serious enough to warrant action up to and including termination. You should promptly report any violation or suspected violation of this Code of Conduct, including any illegal or unethical conduct, to an appropriate member of management or Human Resources. If you have any doubt regarding what conduct is proper under this Code of Conduct, please consult with your department manager or Human Resources. Retaliation against an employee who, in good faith, either asks questions about or reports conduct by another person thought to violate this Code of Conduct is prohibited.

A conflict of interest is any situation in which an employee is in a position to influence a decision or situation that may result in personal gain for the employee or his/her friends or family at the expense of Alconex. You should avoid even the appearance of a conflict of interest. If you have any doubt about whether a situation presents a conflict of interest, you should consult with your manager or Human Resources.

You should not accept any significant gift, payment, entertainment, or anything else of value from vendors, or anyone else doing business with Alconex, if the gift would likely be perceived as unduly influencing the sales representative's business decisions. Gifts of small monetary value, such as t-shirts, calendars or coffee mugs, for example, are acceptable because they probably would not change your assessment of a potential business relationship.

Behavioral Rules of Conduct

These rules of conduct are necessary for safe, orderly operation and shall govern the conduct of all employees. To ensure impartiality and consistency, violations of rules and corresponding

discipline are outlined below. Alconex reserves the right to enforce these rules and to publish other rules periodically.

While not an all-inclusive list, violations of the following will subject the individual involved to disciplinary action up to and including termination. The severity of some offenses, as determined by management and Human Resources, may be considered so extreme as to merit termination on the first offense.

The following list below is not intended to be all-inclusive, but typical of unacceptable conduct:

1. Dishonesty or falsification of Alconex documents (i.e., applications for employment, applications for Worker's Compensation benefits, FMLA leave) falsify time reporting, personnel records, or company records
2. Willfully misusing, defacing, destroying, or damaging company property or the property of another employee.
3. Unauthorized removal from the premises, or the unauthorized use or taking of property belonging to the company or to another employee. Taking any items belonging to another employee, with their permission, is in violation of this policy.
4. Fighting or instigating a fight during working hours or on company premises.
5. Threatening, intimidating, coercing, interfering or contributing to a hostile environment with other employees while on company premises Note: spreading gossip or rumors, discussing conversations that were held with Manager/supervisor or Human Resources for the purpose of rallying support for your position on an issue can be considered as inappropriate behavior and creating a hostile environment.
6. Reporting to work under the influence of alcohol or drugs. Note: The use or being under the influence of illegal drugs and/or alcohol is prohibited. Management reserves the right to order drug testing at anytime. Probable cause to order a test will be determined by management based on either, the smell, actions and/or appearance of the employee. If the results of the alcohol test registers above the legal limit (0.08) or positive test results for illegal drugs.
9. The use of company computers for the purpose, of accessing/downloading of pornographic sites, sexually explicit jokes or writing or forwarding of email with content that is considered discriminatory and making derogator comments about the company, employees or product is prohibited.
10. Possession of fire arms, weapons or explosives on company property (including a vehicle on company property) Note: Any discussion about claiming to have a weapon, threats of getting a weapon, is considered in violation of this policy. Having first hand knowledge of any person on company property possessing firearms, weapons, and/or explosive devices of any kind without immediately reporting it to upper management.
11. Smoking in restricted areas. Smoking policy is as follows: Smoking allowed only in the back of the building in the designated smoking area outlined. Smoking is prohibited in the parking lot. Do not discard cigarette butts on the ground. Reminder: you must be 20 feet away from the entrance.
12. Gambling on company property.
13. Sexual harassment is a prohibited practice and will not be condoned. Note: Telling sexually explicit, implied or suggestive jokes and/or conversations are prohibited

14. Violating the non-disclosure agreement; giving confidential Alconex information to competitors or other organizations or to unauthorized Alconex employees; working for a competing business while an Alconex employee; breach of confidentiality of personnel information.
15. Making false, profane, derogatory, or malicious statements or acts concerning any employee, the company, and or its products. Including but not limited to racially insensitive remarks, cussing, the use of derogatory words to be describe a person an/or body parts or taunting.
16. Engaging in horseplay, throwing things, interrupting the harmony within the workplace or causing confusion by shouting, Loud-talking. Note: arguing/debating with another employee or voicing your opinion openly and loudly is considered being disruptive.
17. Disruption of the work place, including improper, indecent, and/or disorderly conduct.
18. Unauthorized posting or removal of any matter on company bulleting boards or on company property.
19. Negligence or any careless action which endangers the life or safety of another person.
20. Insubordination or refusing to obey instructions properly issued by your supervisor pertaining to your work; refusal to help out on a special assignment. (willful disregard, failure, or unwillingness to cooperate or comply with any reasonable order within the authority of the person giving the order and/or disrespectful conduct toward a manager)
21. Sale, use, possession, or being under the influence of drugs on Alconex's property.
22. Unsatisfactory job performance.
23. Unsatisfactory tardiness and attendance.
24. Unauthorized use of company information (such as employee lists, customer lists or other company records or confidential information)

Appearance, Dress, and Personal Hygiene

Please understand that you are expected to dress and groom yourself in accordance with accepted social and business standards, particularly if your job involves dealing with customers or visitors in person.

A neat, tasteful appearance contributes to the positive impression you make on our customers. You are expected to be suitably attired and groomed during working hours or when representing Alconex. A good clean appearance bolsters your own poise and self-confidence and greatly enhances our company image.

Personal appearance and hygiene should be a matter of concern for each employee. If your supervisor feels your attire is out of place, you may be asked to leave your workplace until you are properly attired. You will not be paid for the time you are off the job for this purpose. Your immediate supervisor is authorized to determine an appropriate dress, and anyone who violates the standard will be subject to appropriate disciplinary action.

Confidentiality

Alconex must frequently give our employees confidential information or employees may originate confidential information as part of their job. "Confidential Information" means any oral or written information disclosed to, or known by, employees as a consequence of or through employment with Alconex. This includes information which is not generally known in the industry, or about the company's business, products, processes, and services. This includes, but is not limited to, information relating to new products, suppliers, operating methods, salaries, confidential information provided to Alconex, manufacturing, purchasing, accounting, engineering, marketing, quoting, pricing, customer lists, customer requirements, and the documentation thereof.

Alconex's proprietary information and processes are valuable and unique assets and are vital to our continued growth and success. Therefore, Alconex requires that you do not share with others, or use for yourself, or for others, any Confidential Information obtained while employed by Alconex, even after you have ceased to work for the company.

Alconex expects you to fulfill this obligation and to refrain from sharing with fellow employees, and from using, in Alconex's business, any confidential information belonging to any of your former employers. Of course, Alconex wants you to utilize all information that is generally known and used by individuals with your training and experience and all information that is common knowledge to the industry for your position.

Rumors or inappropriate stories about fellow employees are violations of confidence, counterproductive, and make for an unpleasant workplace.

Failure to maintain confidentiality may result in discipline, up to and including termination.

Electronic Media Policy

The electronic mail system (email), computer files, computer disks, voice mail, and other forms of Alconex owned electronic media and technology devices (computers, laptops, cell phones, PDA's etc.) are the sole property of Alconex and are intended for the purpose of carrying out company business.

Alconex owns all electronic messages and those created, sent, received, or stored in Alconex's system will remain company property. Therefore, you do not have an expectation of privacy with respect to any data which is created, sent, received, or stored in, on or by any Alconex owned equipment. Alconex reserves the right to enter the system and review, copy, delete, or disclose any messages or files without providing notice to the sender or to the recipient.

Alconex advises that you keep your messages and files businesslike and to refrain from using the system for personal messages and files that you will not want read by others. Since there is no guarantee of privacy of any message or files, you must use good judgment when using the system.

You are not permitted to use Alconex technology devices in any manner that is prohibited by policy, causes unnecessary cost, congestion, disruption, or damage to Alconex technology

devices, IT services, systems or equipment, or in a manner that demeans other individuals either internal or external to Alconex including but not limited to:

- Using large amount of bandwidth (data transmission exchange) for activities that are not related to Alconex business such as sending chain letters, emailing, or downloading large files, i.e., music, graphics, games, videos, etc.
- Intentionally or unintentionally permitting the use of Alconex technology devices by unauthorized person, i.e., friend, family, or others.
- Attempting to override or avoid Alconex security and system integrity procedures or mechanisms.
- Intentionally accessing, viewing, disseminating, or storing offensive or disparaging information or graphical depictions, including hate crimes, sexually explicit, violent, and/or racist materials.
- Installing and using hardware and/or software without prior authorization from Alconex.
- Creating, receiving, transmitting, or storing any information that is considered 'classified' which could potentially compromise Alconex security or business or that harms Alconex business in any way.
- Establishing personal and/or non-work related web sites or bulletin board systems on working time.
- Using Alconex logos or titles to misrepresent personal materials or intentionally misrepresenting, either implicitly or explicitly, personal views or comments in electronic forums or email as Alconex policy or position.

If you engage in blogging and/or postings on Internet bulletin boards or social network pages (collectively "online posting") activity, no matter where the activity takes place, you must abide by all of Alconex's policies and procedures that include, without limitation:

- Non-disclosure Policies
- Confidentiality Policies
- Anti-Discrimination Policies
- Anti-Retaliation Policies
- Anti-Harassment Policies
- Electronic Resource Use Policies

As a Alconex employee, you are prohibited from making discriminatory, retaliatory, defamatory, libelous or slanderous, threatening, and/or sexually explicit comments while discussing Alconex, your superior, co-workers, company suppliers, customers, and/or competitors, Employees are prohibited from disparaging Alconex or to act in any manner which would damage Alconex business or reputation or any affiliated company's or parent companies. You shall not engage in any online posting that would cause Alconex embarrassment or humiliation or otherwise cause or contribute to Alconex being held in disrepute.

Use of Alconex logos or any other intellectual property is strictly limited to business use and only by those who are duly authorized to act on the company's behalf.

The content of any employee online posting expresses the views of the employee and does not represent, in any capacity, the views of Alconex. Alconex reserves the right to monitor employee online posting, no matter where the communication may occur, to detect violations of company policies and applicable laws. Alconex reserves the right to take disciplinary action against you if your online posting violates any of Alconex's policies, even if you maintain and access such online posting outside of work.

This electronic media policy applies at all times, not just during normal work hours. Failure to adhere to the Alconex Electronic Media policy will result in disciplinary action up to and including termination and/or revocation of electronic media privileges. For more information regarding this policy, see Human Resources.

Expense Reimbursement

You must have your Manager's written authorization (requisition/purchase order, etc.) prior to incurring an expense on behalf of Alconex. To be reimbursed for all authorized expenses, you must submit an expense report/voucher accompanied by receipts approved by your supervisor.

If you are asked to conduct company business using your personal vehicle, you will be reimbursed at the currently approved rate. This rate can be obtained from the Chief Financial Officer.

Communication

Successful working conditions and relationships depend upon successful communication. Not only do you need to stay aware of changes in procedures, policies, and general information, you also need to communicate your ideas, suggestions, personal goals or problems as they affect your work.

In addition to the exchanges of information and expressions of ideas and attitudes which occur daily, make certain you are aware of and utilize all Alconex Specialty Products methods of communication, including this Employee Handbook, bulletin boards and discussions with your supervisor.

Resignation

While we hope both you and Alconex will mutually benefit from your continued employment, we realize that it may become necessary for you to leave your job with Alconex. If you anticipate having to resign your position with Alconex, you are expected to notify your supervisor at least two (2) weeks in advance of the date that you must leave.

Any Alconex property issued to you, such as product samples, tools or uniforms, must be returned to Alconex at the time of your dismissal or resignation, or whenever your supervisor or a member of management requests it. You are responsible to pay for any lost or damaged items.

Personal Property

Due to the strict liability guidelines of our insurance carrier Alconex cannot assume any responsibility for loss or damage to personal property of any employee.

References

Alconex does not respond to oral requests for references. All requests must be in writing and on company letterhead. In the event you leave the employ of Alconex we may be able to provide references to potential employers, depending upon the circumstances, your employment history, etc. However, you must first sign a "reference release" waiver, allowing us to release reference information beyond merely confirming that you worked at Alconex for a specific period of time and your position.

As an employee, do not under any circumstances respond to any requests for information regarding another employee unless it is part of your assigned job responsibilities. If it is not, and you receive a request for a reference, you should forward the request to the Human Resource department for a response.

Security

Maintaining the security of Alconex buildings and vehicles is every employee's responsibility. Develop habits that insure security as a matter of course. For example:

- * Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise.
- * When you leave Alconex's premises make sure that all entrances are properly locked and secured.

Employee Complaint Procedure

It is important that each employee feel that he or she is heard. When a problem does arise, every effort will be made to satisfactorily solve the matter. Such matters will be handled as follows:

1. Employees may discuss the problem in a private meeting with their immediate supervisor or manager. Supervisors and managers will listen and attempt to resolve the matter.
2. If an employee is still dissatisfied then the supervisor or manager will arrange a meeting with Human Resources.

Alconex has an open door policy with regard to problem resolution; the above procedure is created to foster open communications and maintain a healthy work environment.

Outside Activities

No employee may take an outside job, either for pay or as a donation of his or her personal time, with a customer or competitor of Alconex; nor may they do work on their own if it competes in

any way with the sales of products or services we provide our customers. If you intend to engage in a business enterprise of your own, we would like to know about it.

Seniority

Some of your benefits may be determined by seniority. Also, seniority is one of the factors that may be considered when making promotions. Therefore, seniority is important to you as an employee.

You must complete a Probationary Period when you are hired. During this period, you carry no seniority rights. If you are retained after the Probationary Period, you will be credited with seniority. Your seniority will reflect your length of employment beginning on the date on which you began work (anniversary date)

Theft

Internal theft is a serious problem. Although taking small items of Alconex Specialty Products property may seem inconsequential the cumulative effect can be very large. Stealing from the company is like stealing from yourself. Losses from theft immediately affect our ability to increase salaries and can jeopardize the profitability of the company.

Alconex will not tolerate property theft of any type and Alconex will prosecute to the full extent of the law. We consider property theft to be the unauthorized use of company services or facilities or the taking of any company property for personal use.

Penalty Clause

The penalty for any incidence of unauthorized possession or removal of company property may result in immediate dismissal. Any occurrence of unauthorized possession or removal of company property, regardless of the employee's past record, seniority, or the dollar value of the item, will be treated equally. If you are dismissed because of unauthorized possession or removal of company property, the reason for your dismissal will be provided to any future employer that contacts Alconex. In addition, you may be subject to prosecution.

Transfers

Transfer from one position to another may be required or requested from time to time. Such transfers (up, down, or laterally) will be made with a possible adjustment in pay. Transfers for more than thirty (30) days will be considered permanent transfers.

If you are permanently transferred to a lower position because there is no work in your department, your wage must be reduced to suit the job to which you are transferred.

Gifts

Advanced approval from management is required before an employee may accept or solicit a gift of any kind from a customer, supplier or vendor representative.

Life-Threatening Illnesses

Alconex recognizes that employees with a life-threatening illness, including, but not limited to, cancer, heart disease, and AIDS, may wish to continue to engage in as many of their normal pursuits as their condition allows, including work. These employees must be able to meet acceptable performance standards. Performing normal job functions must not exacerbate their condition. Medical evidence must indicate that their condition is not a threat to other workers.

Managers need to be sensitive to the employee's condition and ensure that the employee is treated consistently with other employees. Alconex seeks to provide a safe work environment for all employees and customers. Therefore, precautions should be taken to ensure that any employee's condition does not present a health or safety threat to other employees or customers.

When dealing with situations involving employees with life-threatening illnesses, managers should:

- * Remember that an employee's health condition is personal and confidential, and precautions should be taken to protect information regarding an employee's health condition.
- * Contact Human Resources to determine if a statement should be obtained from the employee's attending physician that continued presence at work will pose no threat to the employee, co-workers, or customers. Alconex reserves the right to require an examination by a medical doctor appointed by the company.
- * Be sensitive and responsive to co-workers' concerns.
- * Do not give special consideration beyond normal transfer requests for employees who feel threatened by a co-worker's life-threatening illness.
- * Be sensitive to the fact that continued employment for an employee with a life-threatening illness may sometimes be therapeutically important in the remission or recovery process, or may help to prolong that employee's life.

Facility

Parking Lot

Alconex provides parking spaces for employee convenience but cannot assume responsibility for any loss or damage arising from the use of the parking space.

Courtesy and common sense in parking will avoid accidents, personal injuries, and damage to your vehicle and to the vehicles of other employees. If you should damage another car while parking or leaving, immediately report the incident, along with the license numbers of both vehicles and any other pertinent information you may have to management.

Housekeeping

Neatness and good housekeeping are signs of efficiency. You are expected to keep your work area neat and orderly at all times -- it is a required safety precaution. Always be aware of good health and safety standards, including fire and loss prevention. Please report anything that needs repairing or replacing to your supervisor immediately.

Everyone using the break areas (refrigerator, sink, and microwave) have a shared responsibility for keeping these areas clean and in an orderly condition.

