

Chemac Inc.

Code of Ethics

Over the last decades, Chemac Inc. has been one of the most well known competitors in the market for high-pressure equipment. Our outstanding reputation for quality and consistency, as well as our years of experience, allow us to be the ideal selection for industrial high-pressure needs. In addition to our strong mission, Chemac Inc. has a very focused code of ethics that we follow in both the international environment and the United States. Ethics is not only important to our company in dealing with our customers all over the globe, but also in dealing with our interactions with one another in the Chemac Inc. community as well as competitors and suppliers. The following Code of Ethics allows us to maintain our reputation of dealing with all aspects of the business world with integrity.



The Source For Quality

Our Mission:

- To provide our customer with the best services and products available on the market.
- To review and improve our quality procedures on a regular basis.
- To listen to and respond to our customers needs and wants.
- To maximize our customers return on investment by providing the best solution available.
- To ensure customers professional and knowledgeable service.
- To treat our customers, suppliers and coworkers with the highest ethical standards and respect.

Chemac Inc.

Code of Ethics

Table of Contents

I. Introduction	3
II. Employee Policies	4
1.) Discrimination and Harassment	4
2.) Substance Abuse	5
3.) Health, Safety, and Security	5
4.) Confidentiality	5
III. Shareholder Policies	6
1.) Confidential Information	6
2.) Use of Electronic Resources	6
3.) Integrity	6
4.) Conflicts of Interest	7
IV. Fair Dealing Policies	8
1.) Third Party Interactions	8
2.) Interactions with the Government	8
3.) Antitrust Compliance	8
V. Chemac and the Local Community	9
1.) Environmental and Health Compliance	9
2.) Political Involvement	9
VI. Chemac in the Global Environment	9
1.) Business in the International Environment	9
2.) Business with the United States Government	10
VII. Conclusion	11

Chemac Inc.

Code of Ethics

I. Introduction

The Code of Ethics for Chemac Inc. is a document that represents what Chemac Inc. is all about. It shows our policies in dealing with interaction with employees as well as business interactions. It also covers our concern for the community and the environment. It is our superior values that allow us to maintain our reputation for integrity and respect. It is important for all employees to follow this code because without consistency, we cannot be successful in the international environment or as a company as a whole. Lawful and respectful practices are very crucial when dealing with customers, suppliers, and competitors.

All rules mentioned in this code must be followed at all times. By providing a solid base for the correct ethical behaviors, employees will know how to handle difficult situations and suppliers and customers will understand why our reputation for integrity is so true. It is important to know that Chemac Inc. is here for you. Employees are obligated to report to their General Manager or boss when in doubt of certain ethical situations.

It is the responsibility of the employee to deal with the situation and it is the responsibility of the supervisors to enforce the code and provide guidance. Honesty and cooperation is key when reporting knowledge of behaviors that are not considered ethical. Failure to comply with the code of ethics could result in discipline and in some cases, termination.



Chemac Inc.

Code of Ethics

II. Employment Policies

1.) Discrimination and Harassment

Discrimination of any kind is forbidden at Chemac Inc. This includes both offensive comments as well as in an interviewing environment. It is prohibited in all of the following environments including but not limited to recruiting, selection, hiring, promoting, training, supervision, termination, compensation and benefits.

Sexual harassment is not allowed at Chemac Inc. This includes everything from sexual advances to displays of objects or pictures. There are obviously physical and mental boundaries that cannot be crossed and it is important to know these boundaries. Derogatory comments based on race will not be tolerated.

Those who involve themselves in sexual harassment will not only face consequences from Chemac Inc, but also personal liability. If you feel that you have been sexually harassed or have witnessed it, do not hesitate to contact your General Manager. Cases will be handled in a confidential matter and can be reported anonymously.

In an interviewing situation, it is very important to know what is considered discrimination and to avoid harassment. All Chemac Inc. employees are prohibited to ask any questions about race, sexual orientation, religion, nation of origin, participation in other organizations, or an applicant's citizenship. Qualified applicants can be selected regardless of the following characteristics, as long as there is sufficient documentation to support the selection. Seniority, types of job, or basis of merit are the typical situations that call for different salaries.

It is the goal of Chemac Inc. to have a work environment free of harassment and discrimination. We want all employees, despite disability, ethnicity, sex, gender, or sexual orientation to feel comfortable in their working environment.

2.) Substance Abuse

Substance abuse of any kind is prohibited at Chemac Inc. This includes both drug and alcohol abuse. The possession, distribution, or use of illegal drugs on the Chemac Inc. grounds is absolutely forbidden. In addition, drug or alcohol abuse away from the workplace will be considered a violation of this code if it impairs the way that an employee does their job or reflects on Chemac Inc. in a negative way.

3.) Health, Safety, and Security of Employees

Chemac Inc. is not only dedicated to providing a safe, comfortable working environment for its employees, but also to provide the safety knowledge necessary for employees to perform a job in a safe matter that doesn't put them at risk. In addition, all Chemac Inc. factories meet ISO or TQ Standards as required by most customers. All Chemac Inc. employees who work in a risky environment are well trained in safety procedures.

Safety does not only apply to the working environment and knowledge of safety procedures, but also to threats and violence. Threats, intimidation, and violence are not allowed at Chemac Inc. It is important for employees to bring concerns about unsafe behavior to the attention of their General Manager so that these situations can be handled. We want all of our Chemac Inc. employees

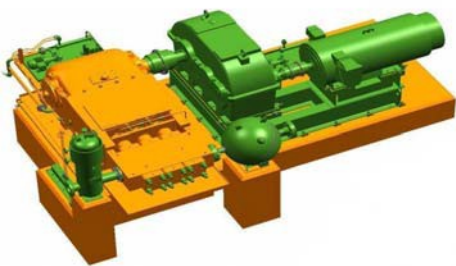
Chemac Inc.

Code of Ethics

to feel like they are at home when at work and this means having a safe and relaxed working environment.

Involuntary labor and treatment of minors are two aspects that Chemac Inc. takes very seriously. Any type of labor that is involuntary in any way such as asking prospective employees to pay in exchange for employment or preventing employees from leaving the work location when their shift has ended will not be tolerated. Chemac Inc. also follows state and any federal laws on child labor and compensation for hours worked.

In general, the employment of anyone under the age of 15 is not permitted except in cases where the local minimum age of employment by law is either 14 or 15. Chemac Inc. takes the competitive environment into consideration when determining methods of pay and tries to generate wages that are as fair as possible. Generally, overtime and wages are based on the local laws of the regions in which we operate.



4.) Personal Information

Chemac Inc. will not release any personal information on their employees unless given proper authorization. If an employee does have access to personal information, they are required to treat it with discretion. In order to avoid accidental invasions of privacy, Chemac Inc. employees are encouraged not to

use computers for personal reasons.

III. Shareholder Policies

1.) Confidential Information

Confidential information of Chemac Inc. includes company records, property, and information regarding our shareholders and customers. Any removal or destruction of objects within the property or of the property itself is grounds for immediate termination. Assets can be removed with proper authorization, only. The confidentiality of Chemac Inc. records is one of the most important features in this code. All information obtained or used by Chemac Inc. is required to remain confidential.

In addition, all of the information presented by Chemac Inc. employees is required to be accurate. These records include but are not limited to timecards, traveling expenses, meeting expenses, and financial records. Any falsification of company records is grounds for immediate termination. Records should not be destroyed for any reason unless directed by a General Manager who has received proper authorization. This includes everything from records to emails, to invoices.

2.) Use of Electronic Resources

Chemac Inc. employees are encouraged to use electronic resources for business-oriented procedures only. The Internet is provided to assist business and to provide easy communication between employers and employees. All employees should have a copy of the Employee Handbook and Internet Use Policy.

For this reason, any improper use of the Internet such as to transmit private

Chemac Inc.

Code of Ethics

information about Chemac Inc., downloading harmful software, posting messages that are of a threatening manner, or copying Chemac Inc. private software will be grounds for termination. Legal action will also be taken if there is criminal intent.

Chemac Inc., by law, has the right to access all communications and records accessed through company owned objects for example telephone activity and Internet activity. When using company email, keep in mind that deleting an email doesn't mean that it is necessarily gone and that undesired people can receive messages through accidental forwarding. In summation, use the company email with digression and do not send emails that you wouldn't want other people to see.

3.) *Integrity*

Chemac Inc. employees are required to treat information deemed confidential with the utmost integrity. For this reason, it is forbidden to release information that might be harmful to Chemac such as access passwords to our networks, software that could be harmful to the company as whole, or confidential personal information of other employees or of stockholder's who have invested in the company. Unauthorized access to these types of information is not tolerated. Confidential information is a very important asset to Chemac Inc. and should be considered in this way. Employees during or after employment are not allowed to release any information about Chemac Inc. including personal records, internal directories, engineering or financial data, sales figures, planned marketing objectives, wage and personal information, or lists of actual or potential customers or suppliers. It is important

for personnel to respect Chemac Inc.'s confidentiality.

4.) *Conflicts of Interest*

The avoidance of conflicts of interest is crucial to the success of Chemac Inc. Conflicts of interest include any activity that an employee participates in that appears to conflict with the interests of Chemac Inc or shows that their loyalty is not in line with Chemac Inc. This includes any outside affiliations, a second job that could affect performance, receiving compensation from another source, or the existence of a personal investment in another company or competitor. Participation in activities that are considered conflicts of interest creates unnecessary ethical debates and should be avoided by Chemac Inc. employees. It is crucial to know that using any information obtained while in the workplace that is not available to the public to make a transaction based on stock or shares is strictly forbidden. This also refers to the personal or advised purchase of stock or the deactivation of stock based on information obtained about a certain company.

Once the information is released to the public, it is then accessible. Chemac Inc. by no means prohibits the owning of stock of competitors of Chemac Inc. as long as it is minimal. Personnel should not encourage gifts of any kind. Before giving a gift or receiving a gift from another company, it is important to consider why the exchange is occurring and if it is a conflict of interest. Attention must be paid to whether a supervisor would approve, what the reason is for the gift, if it can be considered special treatment, or if it is on a frequent basis.

Chemac Inc.

Code of Ethics

Infrequent gifts and entertainment are allowed.

However, once it begins to become a frequent event it becomes questionable. Personnel are permitted to accept unsolicited gifts of non-monetary value. Accepting money from any shareholder, supplier, or vendor is prohibited. Entertainment that arises in a normal business environment and is within a reasonable amount of spending is permitted. Entertainment that occurs on a normal basis and requires a significant amount of money to be used could promote questions and is not advised. Entertainment costs should be around what it costs to do normal business. When in doubt, discuss these types of situations with your General Manager to avoid a stressful situation.

IV. Fair Dealing Policies

1.) Third Party Companies

Since Chemac Inc. does a lot of exchanges with businesses internationally and locally, it is important that all dealings be fair and lawful. Chemac Inc. handles all business interactions with honesty and integrity. First of all, when dealing with possible suppliers or vendors, it is not permitted to favor one over the other solely because the employee is a customer of that vendor. All of the vendors and suppliers should have an equal opportunity. Secondly, all Chemac Inc. employees are obligated to present the best possible representation of the company.

Therefore, no misleading statements regarding company information or profit should be given when trying to complete a business

transaction. Thirdly, information received about other companies should be treated with care and the identity of the customer or company should always be disclosed. This information cannot be shared with anyone in the company unless they are authorized personnel. Lastly, it is prohibited to accept or offer gifts or gratuities such as kickbacks or bribes when negotiating purchases or sales. However, employees can offer promotional items as long as they have the Chemac Inc. logo.

2.) Interactions with the Government

Chemac Inc. is involved with many interactions with governmental agencies and representatives. Thus, certain precautions must be taken when addressing these individuals. Offering or transferring anything of value to government officials or mentioning future employment are the two primary topics that put you at risk. Consequences for these actions include being accused of anti-bribery statutes or having to deal with a lot of law enforcement. Records cannot be falsified, as mentioned previously. The information submitted to the government must be complete and reliable.

When dealing with competitors, it is important to take a couple factors into account. Do not enter into agreements or release confidential information to any competitor such as pricing, costs, or objectives of Chemac Inc. Also, do not ask the competitor about confidential information. Impersonating someone in order to get information will result in immediate termination and is also a crime. Lastly, when in meetings with government officials, do not discuss forbidden subjects. By sticking solely to what the

Chemac Inc.

Code of Ethics

meeting is about, a lot of confrontation will be avoided. In general, individual judgment should be used and approval should always be received before participating in any of these activities.

V. Chemac and the Local Community

1.) Environmental and Health Compliance

Since Chemac Inc. is a manufacturing and service company, it is our objective to give back to the community as much as we can and maintain an environment in the workplace that helps preserve the natural environment. In order to this, Chemac Inc. has strict operational codes that are to be followed at all times in order to avoid unsafe situations in the workplace. All working conditions in the factory that could be deemed hazardous are taken into account. Employees who work on a daily basis in these conditions are extremely familiar with precautions and procedures to take in case of emergency. Conservation of the natural environment is a major goal of Chemac Inc.

We strive to eliminate excess waste and emissions in an affective manner as well as not consume an excess of natural resources.

2.) Political Involvement

All Chemac Inc. employees are encouraged to be involved in our current political situation. However, it is forbidden to bring your involvement in politics to work. This includes asking other employees to endorse your candidate or handing out pamphlets that have information about a candidate that

you are supporting. Corporate funds should not be used for donations to political causes. All political activities should be on an employee's personal time and all donations should be out of personal funds.

VI. Chemac in the Global Environment

1.) Business in the International Environment

Since involvement in the International Environment is key to the success of Chemac Inc., it is important for employees to know the proper procedures when dealing with laws and regulations in other countries. Some areas that are important to have prior knowledge about before conducting business internationally are anti-boycott regulations, trade embargos, anti-corruption laws, and criminal laws. Although all Chemac Inc. employees will not have to be familiar with these regulations based on their lines of business, it is important to have some knowledge on these topics in case they do in fact come into contact with them.

Anti-boycott regulations depend on the region. However, a general rule to go by is that no US employee is allowed to participate in a boycott in a foreign country that the US does not know about under any circumstances. Export regulations state that the US cannot export certain goods to certain countries without a license. It is important to keep in mind that there are some regulations that prohibit entities or individuals from receiving exports as well. These regulations are very important to follow.

Knowing how to deal with government officials is very important

Chemac Inc.

Code of Ethics

knowledge to possess. Failure to do so could result in a lot of aggravation and law enforcement. Bribes of any kind in exchange for favors from the government are illegal. A common piece of legislation used for this type of situation is the FCPA or Foreign Corrupt Policies Act. This legislation, in essence, prohibits the exchange of anything with value with a government official. The law stresses with value because it means either monetary or objects.

It is imperative to know that government officials are any person, acting in an official capacity on behalf of the foreign government or agency. There is a very limited amount of payments that are acceptable to foreign officials, usually ministerial or clerical. However, in most cases, the boundaries are very difficult to infer. It is important to document all approved transactions with the government in order to avoid confusion.

2.) *Business with the US Government*

Criminal laws broken by any Chemac Inc. employee in any country will not be tolerated. According to the MEJA, US Military Extraterritorial Jurisdiction, the US government has jurisdiction over all employees of the United States who commit criminal acts and can be sent to jail based on these actions if the action is within their jurisdiction. When doing direct business with the government of the US, personnel must ensure that all specifications are met and that all of the paperwork is filled out honestly.

This means that all financial documents be accurate and complete. As stated numerous times above, do not offer or accept anything from the US government. The action could be considered bribery. Also, do not

discuss any information about competitors or ask for any information when conversing with the US government. Such an action is illegal.

VII. Conclusion

We hope that you have read and understood the above Code of Ethics of Chemac Inc. When dealing with ethical situations, individual judgment is imperative. In the end, it comes down to what you do. We hope that by providing you with these guidelines you will feel better prepared to deal with difficult situations and that you know that it is important to communicate with Chemac Inc. when in doubt.

Chemac Inc. cannot be the company it is today without your help and in order to be considered one of the premier high-pressure companies, it is important for you to do your part and conduct yourself and your business in an ethical matter based on these guidelines.



For more information see also:

- Chemac Inc. Safety Policy and Procedures
 - Chemac Inc. Human Resource Employee Handbook
 - Chemac Inc. ISO 9001 Handbook
 - ISNetworld Website
- www.chemacinc.com