



Automation Plastics Corporation
Business Conduct and Ethics for Suppliers

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Value Statement

Automation Plastics Corporation will conduct itself with honesty, integrity and professionalism by living up to our commitments, communicating openly and protecting our health, safety and environment.

Vision

We will be recognized as a technological and innovative leader in the processing of custom parts requiring creativity in process & design, precision, high quality and high volume. We will be known for living up to our commitments.

We will achieve this leadership position through a culture that:

- Stimulates and encourages all employees to participate in reaching this vision.
- Fosters teamwork, empowerment, accountability, communication and recognition of performance.
- Promotes creative and innovative processing solutions and services that exceed our customer's expectations.
- Exemplifies our Core Values

We will accomplish this vision by respecting and valuing each other and maximizing our individual contribution for the benefit of the whole.

Mission

Automation Plastics provides value added services to users of plastic injection molded parts. Our core business is through strategic partnerships with customers requiring precision parts of unique design and long product life cycles.

We provide innovative turnkey, development, design and processing solutions that create efficient, reliable and cost-effective tools and parts.

Our customer focus, quick/reliable response and attention to quality, provide extraordinary value to our customers.

Quality

It is the policy of Automation Plastics Corporation to commit the effort and resources necessary to ensure the shipment of products that meet or exceed the quality standards expected by our customers.

We recognize that each individual in our organization directly or indirectly affects product quality, on-time delivery, customer service and product cost. Through continuous improvement, our goal is to satisfy our customers while providing a safe, rewarding place to work.

CORE VALUES

- Integrity, respect and compassion guide our decisions and actions.
- We strive for an operation that is efficient, flexible, innovative, and effective.
- We do what it takes to service our customers.
- We value a working environment that inspires teamwork, optimism, discretionary effort, and continuous improvement.

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1-01 Conflicting Supplier Relationships

APC permits the employment of qualified family members with family members at a supplier as long as such employment does not create a conflict of interest, or unproductive or stressful interactions and relationships.

APC will exercise sound business judgment in the placement of relatives and/or similar personal relationship in accordance with the following guidelines:

- If an APC employee become family members with a supplier and/or a similar personal relationship, both may retain their positions, provided one is not under the direct or indirect supervision of the other. It is the responsibility of the supervisor to advise the Human Resources Manager if such a relationship exists. If one is under direct or indirect supervision of the other, a management plan must be formulated to address the supervisory relationship.
- In all cases, whether in reference to existing relationships or relationships that develop post-employment, APC reserves the right to reassign individuals to a different department or shift, in order to maintain a healthy, productive work environment. Such determinations and reassignments shall be at the sole discretion of APC management.

1-02 Ethics Policy

Suppliers must exercise the highest level of integrity, ethics and follow Automation Plastics' core values regarding their actions and relationships which may affect the Company. Suppliers must not misuse their authority or influence of their positions in these relationships.

1-03 Freedom of Association and Collective Bargaining

APC recognizes the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection. APC is fully compliant with the NLRA and does not interfere with, coerce, or restrain Suppliers in their exercise of these rights.

1-04 Confidentiality

The protection of confidential business information and trade secrets is vital to the interests and the success of APC, any confidential business information or trade secrets gained by virtue of business activities with APC is maintained confidential and will not be improperly used or disclosed to third parties. All Suppliers will be required to sign a *Confidentiality Agreement* as a condition of employment. Suppliers who improperly use or disclose trade secrets or confidential business information are subject to adverse action and could be subject to legal action, even if they do not actually benefit from the disclosed information.

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1-05 Antitrust and Competition

APC strictly complies with all applicable antitrust laws, trade practice laws, and all other related laws, rules, and regulations. APC does not enter into agreements with competitors and other acts which may unfairly impact competition, including but not limited to, price fixing, market allocations, and monopolies.

1-06 Export Controls

It is APC's policy to comply fully with all applicable export and import control laws, including without limitation, sanctions, embargoes and other laws, regulations, government orders and policies controlling the transmission or shipment of goods and technology.

APC will investigate and address reported concerns. Suppliers who knowingly violate such controls, or this compliance policy, are subject to adverse action, up to and including discharge from the supply base.

1-07 Conflict Minerals

Section 1502 of the Dodd-Frank Act requires publicly-traded companies to submit a conflict minerals disclosure. APC is not a publicly traded company, but nevertheless remains committed to the ethical sourcing, extraction and trade of tantalum, tin, tungsten, and gold. APC expects its business partners to uphold the same value, and will terminate the business relationship should APC learn of a business partner failing to uphold this value.

The Financial CHOICE Act bill, which repeals Section 1502 of the Dodd-Frank Act, has passed the House of Representatives and is currently sitting with the Senate. APC will keep track of any updates to the bill's passing or dismissal, and update its handbook if necessary.

1-08 Anti-Bribery and Anti-Corruption

It is never permissible to offer or accept anything of value with an intent to gain or retain business or to gain or provide an unfair business advantage. This means that you must never offer or accept any type of personal benefit which could be considered to influence your business decisions or the decisions of the people and companies with whom we do business.

The United States and many other countries have adopted laws, such as the U.S. Foreign Corrupt Practices Act ("FCPA"), which strictly prohibit bribery and corruption in all of our operations throughout the world. Specifically, the FCPA prohibits bribes to public officials. The U.K.

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Bribery Act 2010 (U.K. Bribery Act) also prohibits bribes in all commercial business. Although international laws governing bribery and corruption may differ, we apply the same principles throughout our operations. We prohibit bribery and corrupt behavior with everyone with whom we conduct business, including public officials, our government as well as all commercial business partners.

The laws on bribery encompass more than money and the term “anything of value” includes the exchange of favors, such as the exchange of confidential information, a requested charitable or political contribution, illegal payments, payoffs, kickbacks, incentives, gifts, entertainment, the offer or acceptance of employment references or business referrals, and any other benefit of a value in exchange for business. Similarly, dishonest and/or fraudulent conduct, including financial crimes such as money laundering, are never permissible.

We expect our agents, suppliers, distributors and all of our other business partners to uphold and comply with these principles.

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2-01 Child Labor and Forced Labor

Automation Plastics (APC) believes that all people must be treated with dignity and respect, and is fully compliant with the Fair Labor Standards Act (FLSA). APC does not hire applicants under the age of 18. Moreover, APC does not tolerate the exploitation of children or their engagement in excessively dangerous work, and will not support human trafficking, physical punishment, abuse, or forced, compulsory, or involuntary servitude of any worker. APC expects its suppliers and contractors with whom it does business with to uphold these standards. Should a pattern of these violations become known to APC and not be corrected, the business relationship will be terminated.

2-02 Business Travel Expenses

The actual costs of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives should be documented (with receipts) on an Expense Report Form. Once approved by your supervisor and submitted to Accounts Payable, your expenses will be reimbursed by APC. Suppliers are expected to limit expenses to reasonable amounts. Suppliers who are involved in an accident while traveling on business must promptly report the incident to Automation Plastics.

2-03 Visitors in the Workplace

To provide for the safety and security of Suppliers and the facilities at APC, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All visitors should enter APC at the main entrance. Authorized visitors will be required to sign a Confidentiality Form (available in front office). **Visitors must be accompanied by an APC employee at all times.** Suppliers are responsible for the conduct and safety of their visitors. Infants and small children are not permitted in the factory area.

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2-04 Personal Camera Use Policy

APC prohibits Suppliers and visitors from bringing cameras or other visual recording devices into areas where client privacy may be compromised, or where company trade secrets or proprietary business information could be disclosed. Suppliers may record workplace activities that are not prohibited by law or do not compromise confidential information as described above.

2-05 Surveillance Policy

APC strives to maintain a safe and secure environment for its Suppliers, visitors, and customers. In pursuit of this objective, selected areas of the premises are equipped with video cameras that are recording at all times. The Company's video security system shall be used only in compliance with state and federal law, and for the protection and safety of customers, Suppliers, visitors, assets, and property, as well as assisting law enforcement and enforcement of other company policies. Video cameras shall not be positioned in areas where there is a reasonable expectation of personal privacy such as restrooms. Access to video records shall be limited to authorized personnel, who shall only access such records during the course of their regular duties. Any records produced by the video security system shall be kept in a secure manner, and managed appropriately by the Company to protect legal obligations and evidentiary values. Suppliers should contact HR if they have any questions regarding this policy.

2-06 Acceptable Internet Use Policy

Internet access to global electronic information resources on the World Wide Web is provided by APC to assist Suppliers in obtaining work-related data and technology. The following general guidelines have been established to help ensure responsible and productive Internet usage for all Suppliers.

All Internet data that is composed, transmitted, or received via our computer communications systems is considered to be part of the official records of APC and, as such, is subject to disclosure to law enforcement or other third parties. Consequently, Suppliers should always ensure that the business information contained in Internet e-mail messages and other transmissions is accurate, appropriate, ethical, and lawful.

The equipment, services, and technology provided to access the Internet remain at all times the property of APC. As such, APC reserves the right to monitor Internet traffic,

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and retrieve and read any data composed, sent, or received through our online connections and stored in our computer systems.

Data that is composed, transmitted, accessed, or received via the Internet must not contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Examples of unacceptable content may include, but are not limited to, sexual comments or images, racial slurs, gender-specific comments, or any other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, sexual orientation, or any other characteristic protected by law.

The unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material to a company computer is expressly prohibited. As a rule, if a Supplier did not create material, does not own the rights to it, or has not gotten authorization for its use; it should not be put on the Internet or network/PC. Suppliers are also responsible for ensuring that the person sending any material over the Internet has the appropriate distribution rights.

Abuse of the Internet access provided by APC in violation of law or APC policies will result in disciplinary action, up to and including termination of employment. Suppliers may also be held personally liable for any violations of this policy. The following behaviors are examples of previously stated or additional actions and activities that are prohibited and can result in adverse action:

- Sending or posting discriminatory, harassing, or threatening messages or images
- Using the organization's time and resources for personal gain
- Stealing, using, or disclosing someone else's code or password without authorization
- Copying, pirating, or downloading software and electronic files without permission
- Sending or posting confidential material, trade secrets, or proprietary information outside of the organization
- Violating copyright law
- Failing to observe licensing agreements
- Engaging in unauthorized transactions that may incur a cost to the organization or initiate unwanted Internet services and transmissions
- Sending or posting messages or material that could damage the organization's image or reputation
- Participating in the viewing or exchange of pornography or obscene materials
- Sending or posting messages that defame or slander other individuals
- Attempting to break into the computer system of another organization or person

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- Refusing to cooperate with a security investigation
- Sending or posting chain letters, solicitations, or advertisements not related to business purposes or activities
- Using the Internet for political causes or activities, religious activities, or any sort of gambling
- Jeopardizing the security of the organization's electronic communications systems
- Sending or posting messages that disparage another organization's products or services
- Passing off personal views as representing those of the organization
- Sending anonymous e-mail messages
- Engaging in any other illegal activities

2-07 Anti-Harassment Policy

APC will not tolerate harassment by anyone. This policy applies on APC premises or in any Company dealings involving employees, applicants, customers, suppliers, vendors or any other persons doing business with APC. Our zero-harassment policy also extends to all decisions relating to hiring, promotion, transfer, recruitment, termination, benefits, rates of pay, and other forms of compensation or benefits provided.

Along with prohibiting all forms of harassment, this policy also prohibits:

- 1) Retaliation against anyone who reports or complains of harassment or who cooperates in the investigation of a claim of harassment.
- 2) Violation of confidentiality requirements associated with an investigation of reports of harassment.

The Company requires the reporting of all conduct which violates this policy regardless of who the offender may be. An individual who has observed such conduct is also to report it, even if the person is not the target of the harassment or retaliation. The Company has designated the Human Resources Manager as the Company's contact person for receiving and investigating complaints of sexual harassment or retaliation.

2-08 General Safety Work Rules

1. Horseplay, scuffling and related acts are prohibited.
2. All work-related injuries or potentially dangerous accidents, no matter how small, must be reported to Human Resources immediately and documented on our Accident Form.

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3. Do not wear loose frayed clothing, dangling items, finger rings, etc. around conveyers, moving machinery, or other sources of entanglement. Hair below the shoulder must be tied or banded up. Shoes should have rubber soles, preferably, with steel-toes.
4. Obey all warnings and instructional signs.
5. Only authorized Suppliers may operate machines and equipment for which they are qualified.
6. Anyone known to be under the influence of alcohol and/or drugs are not to be allowed on the job.

Follow safety rules applicable to the job and use safety devices and personal protective equipment as required and directed.

These rules are not meant to be all inclusive, since different jobs within the production area may have more specific rules for their smooth and safe operation. Additions to and deletions from, or modification of these rules may be made from time to time as necessary for the safety and well being of all personnel.

2-09 Personal Protective Equipment

OSHA requires employers to protect their Suppliers from the hazards of the job by implementing the use of personal protective equipment. APC is committed to the safety and well-being of all its Suppliers while at work through the use of the following PPE measures.

Eye Protection

All personnel are required to wear safety glasses while on the plant floor. This includes the production, secondary, maintenance and tool room areas, as well as, the main aisles and rework station located in the front warehouse area. Safety glasses are not required in the locker area, office areas (QC lab, supervisor office, maintenance office etc.), microscope area in the tool room, time clock, and bathroom area or lunchroom.

Suppliers who require prescription safety glasses will have 90 days to obtain glasses that meet ANSI safety standards. No tints or transitions lenses are allowed.

Hearing Protection

Hearing protection is required in all Molding Department production areas, including the mezzanines and SP1 upstairs. This requirement applies to all suppliers, employees, visitors, and contractors.

For detail, refer to: SP.07 APC Hearing Conservation Program

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APC does provide earplugs for Suppliers, contractors, and visitors. In addition, the company conducts sound level surveys of the plant on an ongoing basis to gauge noise risk level and make determinations regarding the requirement of hearing protection.

Foot Protection

Open toe shoes and sandals are not permitted on the plant floor. Suppliers who wish to wear these types of shoes will be required to change shoes if going out on the plant floor.

Suppliers should check with appropriate personnel for exact PPE requirements for a job and obtain the protective equipment that is necessary.

Suppliers are responsible for maintaining Company provided PPE such as safety glasses and gloves/sleeves. Lockers are provided for Suppliers' use.

2-10 Restricted Areas

In order to maintain the safety and security of the business and its Suppliers, the following areas of the facility are off limits except for emergency use:

- The east side of the building (including areas just outside the man doors)
- The shipping area (unless required by job)

2-11 Drug Free Workplace

APC maintains a firm commitment to provide reliable service to its customers and a safe and healthy work environment for its Suppliers. The Company recognizes that an employee's off- the-job involvement with illegal drugs may have an impact on the workplace. Involvement with illegal drugs can adversely affect job performance, jeopardize the safety of other Suppliers and the reliability of company operations, as well as impair APC's ability to maintain a safe working environment.

Definitions

1. Company premises: Includes, but is not limited to, all buildings, offices, facilities, grounds, parking lots, lockers, places and vehicles owned, leased or managed by APC or any site on which the Company is conducting business.
2. Drugs: For the purposes of this policy, "drugs" include legal and illegal controlled substances, narcotics, hallucinogens, depressants, stimulants, inhalants and other substances capable of creating or maintaining effects on one's physical, emotional or mental state. This means that an otherwise legal drug may be a controlled substance if it is improperly possessed, sold or used. Any such drugs may be included in the testing program.
3. Illegal Drugs: Drugs for which the use, sale or possession is prohibited by law.

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4. Refusal to Cooperate: Obstructing the collection or testing process; to submit an altered, adulterated or substitute sample; fail to show up for a test; refusal to complete necessary forms; or failure to provide specimen(s) for testing when directed to do so, without medical basis for the failure.
5. Accident: The occurrence of an unexpected, unplanned or unintentional event resulting in injury or damage or the risk of damage or injury to persons or property.
6. Incident: An occurrence or event that interrupts normal procedure or precipitates a crisis.

Prohibited Conduct

1. The use, sale, distribution, possession or manufacture of illegal drugs or alcohol is prohibited on the premises of the Company, or in any of its vehicles, by any employee.
2. Suppliers are prohibited from being under the influence of alcohol, behavior altering legal prescription drugs or illegal drugs during work hours. Off-duty use of illegal drugs as defined by this policy is also prohibited.

APC adopts a **0.04** Breath Alcohol Concentration as the level considered to be a verified positive test for alcohol. For the purposes of this policy, a result of 0.00 or higher, but less than **0.04** shall be considered a prohibited concentration of alcohol at the workplace. A positive test shall mean **0.04** or greater for alcohol.

3. Suppliers are prohibited from operating Company owned or provided transportation, including rental cars, under the influence of any illegal drugs or alcohol.