



Employee Handbook

Last update 3/29/2006

Polymer Sciences, Inc.

Dear Fellow Employee:

We would like to take this opportunity to welcome you to Polymer Sciences, Inc. We are glad to have you on our team. You have been chosen to come into our family of employees due to talents, dedication and personality that you have exhibited through your interview process. As an employee, you are expected to share in supporting your fellow employees to the best of your ability. **“What ever it Takes”** to accomplish the goals, mission and daily requirements of your position and to assist in all efforts of the company is expected of each PSI employee.

We have been successful because of our commitment to service, our dedication and sense of urgency, by adding innovative thought to every day tasks, and most importantly because our employees care about the supporting the efforts of PSI to maintain their jobs.

We would like you to immediately feel comfortable as a member of our team. No one will be more concerned about your well being than your immediate supervisor. He or she will be your direct link to the Company, ready at any time to answer your questions about what is expected of you. The importance of establishing a solid relationship with him or her from your first day on the job cannot be over-emphasized.

We look forward to working with you and having your help in directing our future success and assuring that we each have a stable and enjoyable work environment. We realize that our existence and future growth as a company depends on our mutual respect and cooperation with one another, and on each of our contributions to the Company's objectives.

Again, welcome to Polymer Sciences, Inc.

Mission and Goals

Our mission is to enhance the quality of life and service to humanity by improving ecological conditions through economic incentives.

Our goal is to be a value added resource for industry as an honest management firm of industrial scrap materials and as a creative innovator of processes allowing greater use of recyclable materials in the market. We bridge the gap between producers of industrial scrap, and end users; as well as design strategies to reduce and eliminate the impacts of producing scrap to the enterprise system.

Our reason for being in business is to employ qualified individuals interested in making a difference in the world and to strive to enhance their life and livelihood by creating a sound and fruitful environment in which they can grow.

Each Employees Mission throughout the Company:

- Work diligently towards the Company Mission and Goals
- Commitment to push yourself and grow in your field of expertise.
- Develop new ideas and improvements to accomplish your daily tasks.
- Maintain a strong sense of urgency towards your work and the company wellbeing.
- Be professional and courteous to everyone you deal with at work.
- Strive for perfection, proficiency and detail in your sphere of influence.
- Maintain a total "excellence" mentality in quality and workmanship.
- Keep longevity in your employment by taking care of the Company as if your own.

Customer and Supplier Driven Philosophy

Polymer Sciences, Inc. believes that good business begins with good communications and relationships. This means good relationships between all employees working directly for PSI or as suppliers and vendors in concert as a team helping customers solve problems

The best relationships are characterized by a willingness to anticipate needs, developments, and listening to your customers and suppliers; hearing unsaid messages can change the course of the market and corporate identities. The mutual respect and sensitivity that comes with a solid relationship fosters understanding and sparks productivity.

This kind of commitment has been the basis for Polymer Sciences, Inc.'s growth. At every opportunity, PSI stretches a little farther, digs a little deeper to achieve a new level of participation to better serve industry and remain relevant in the market place. We do all this in an effort to establish and maintain good relationships.

PSI has the reputation for working smarter, not just harder. We realize that being good listeners certainly helps, so does staying focused on mutually agreed to goals plus the ability to motivate others to see things in a new light.

PSI's "whatever it takes" attitude has fueled our success. It's a contagious attitude that attracts like-minded staff, vendors, suppliers and customers; people who enjoy getting the job done right the first time. Individuals working in concerted effort to prove that "customer service" and "quality" are the forgotten foundations of successful industries that we build upon. PSI is an action oriented company, committed to the betterment of our community and the environment.

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Summary of Employee Benefits (revised February 2006)

<u>Employment levels:</u> <u>Level & Description</u>	<u>Paid</u> <u>Holidays</u>	<u>Paid Personal</u> <u>& Sick Days/yr</u>	<u>Paid</u> <u>Vacation¹</u>	<u>Health</u> <u>Care</u>	<u>401K</u> <u>Participation</u>
1 - Temporary employee	none	none	none	no	no
2 - Hourly employees, Part time	none	none	none	no	no
3 - Hourly employees, Full time	Yes	7	Vacation Pkg.	Yes	Yes
4 - Salaried	Yes	7	Vacation Pkg.	Yes	Yes

Employment Range:

When an employee increases from one pay scale to a scale in another level, all benefits automatically are credited to the employee for that level.

Holidays/Personal Days/Family Emergencies:

PSI has 10 approved Holidays that are published each January for the New Year. In the event that a new schedule is not published before holiday occurrence, the previous years schedule is used as a bench mark. In addition, there are "**Personal Days**" that may be taken at the employee's discretion, subject to supervisor's approval. Family Emergencies: Additional time may be granted at the discretion of departmental managers. All decisions are subject to management review.

Paid Vacation:

All vacation times must be submitted by April 1 for the year or 45 days in advance of request, whichever is applicable to best assure the time requested. Vacation days may be taken concurrently or separately up to 2 weeks at a time. The vacation time is subject to consistent full-time employment with PSI for 1 full year as follows: 1 yr = 5 days; 2-6 yrs = 10 days; 7-10 yrs = 15 days, 11-16 yrs = 20 days, 15 plus years 25 days.

Sick Days/ Leave:

Any absentee sick days do not require a doctor's note. Any days beyond the employees allotted time will be deducted from the employees pay period at management's discretion. Maternity leave will be based on the legal limits of the state or federal allowances. All employees are entitled to "Sick Leave days" as indicated above per annum up to a maximum of twenty-one days. Additional time may be granted at the discretion of departmental managers.

Health Care:

Until such time that a group plan is established at PSI, employee healthcare is provided by PSI based on individual pre-approved plan and premium bases. Once the plan is approved, PSI will continue to honor premium yearly increases. PSI will group all employees together under one plan once a suitable plan has been established.

Days off:

Indiscriminate days off may be initiated from time to time by management and department heads for employees in their department due to emergencies or special circumstances. Days Off for department heads must be approved by their direct supervisor. Each employee is entitled to personal time during the year as indicated above. These days are at the discretion and for the benefit of employees at their leisure and must be secured with minimum of one weeks notice to the employee's supervisor. The employee is not guaranteed the date requested and must first schedule the days with their supervisor.

Savings & Security (401K)

Eligibility to 401K Savings plan available for all eligible employees as denoted above starting April 2006. Employees may contribute up to 100% of pay, subject to plan limitations, with PSI matching contributions of up to 3%.

Education Assistance / College 529 Plan/Loan

After one year service all full time employees are eligible for reimbursement of registration fees, tuition, books and materials related to continuing educational programs as related to job, finishing high school and continuing education after approval from supervisor and management. Costs are subject to grade performance and employees will be required to pay back these costs if they leave the company within 2 years after completion of courses. College 529 plan payroll deductions are available.

Direct Deposit program available upon request starting mid 2006

¹ After 1 annual period of full time continuous uninterrupted service; if an employee leaves for less than one month after one years' continuous service, they may be restored to full vacation benefits at management's discretion.

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Introduction

1.1 Welcome

Welcome to Polymer Sciences, Inc. We are pleased that you are joining us and we know that your contribution will assist us in remaining a leader in our industry and community.

As an employee of Polymer Sciences, Inc., you will want to know what you can expect from us and what we expect from you. This Handbook will give you that information by outlining our current benefits, practices and policies.

You should keep this Handbook as a guide and ready reference. If you have questions as you read through it, please do not hesitate to discuss them with your supervisor. Your supervisor is a very important source of information and will be more than happy to assist you.

1.2 Purpose of the Handbook

This Handbook is designed to acquaint you with PSI and to give you a ready reference to answer most of your questions regarding your employment with us. We intend for this Handbook to offer two-way communications: what you can expect from us, and what we expect from you.

The contents of this Handbook, however, constitute only a summary of the employee benefits, personnel policies, and employment regulations in effect at the time of publication. This Handbook should not be construed as creating any kind of "employment contract", since the Company reserves the right to add, change or alter conditions of employment, benefits, wages, policies and all other working conditions as it deems appropriate without obtaining another person's consent or agreement.

This Handbook does not alter the "at-will" nature of your employment. You have the right to terminate your employment at any time, with or without cause or notice, and the Company has the same right.

At the back of your employee handbook you must sign the "Acknowledgement of Receipt of Employee Handbook" acknowledging that you have received your handbook. The acknowledgement form states "it is your obligation to read and follow the guidelines contained herein and that you are ready to make the commitment it takes to become an active player in the Polymer Sciences, Inc. team".

1.3 What is Expected

As a representative of PSI, you are expected to maintain a professional and courteous manner in your contacts with fellow workers, customers, and the public. Our Company's success depends on the contributions and cooperation of every employee. It is the responsibility of every one of us to assure PSI's continued growth and success.

1.4 Communications

We believe that all employees should be kept fully informed about the Company. Your supervisor is always your best source of information. The Company intranet web bulletin boards and bulletin boards in the break room(s) are also used to post information of general interest. PSI needs and encourages communication from you. If you have any questions or suggestions, please feel free to discuss them with your supervisor or Human Resources.

1.5 Open Door Policy

We realize that in the normal course of event, problems or so-called "grievances" will sometimes arise. We urge you to speak to your Supervisor when questions or problems occur. In most cases, speaking with your Supervisor should solve your concerns. If a satisfactory solution is not reached or can not be reached at this level, PSI maintains an "Open Door Policy" whereby you are encouraged to discuss your matter with Human Resources, the President of the Company or the CEO who will assist you and attempt to settle the issue.

1.6 Equal Employment Opportunity

We are committed to providing equal opportunity in all of our employment practices, including selection, hiring, promotion, transfer, and compensation, to all qualified applicants and employees without regard to age, race, religion, color, sex, national origin, ancestry, citizenship status, marital status, veteran status, disability, sexual orientation or any other protected status in accordance with the requirements of all federal, state and local laws.

1.7 Harassment: Non-Harassment Policy

We do not and will not tolerate harassment of our employees. The term "harassment" includes, but is not limited to, slurs, jokes, and other verbal, graphic or physical conduct relating to an individual's race, color, sex, religion, national origin, citizenship, age or disability. "Harassment"

also includes sexual advances, requests for sexual favors, offensive touching, and other verbal, graphic or physical conduct of a sexual nature.

VIOLATION OF THIS POLICY WILL SUBJECT AN EMPLOYEE TO DISCIPLINARY ACTION, UP TO AND INCLUDING IMMEDIATE DISCHARGE.

If you feel that you are being harassed in any way by a coworker, supervisor or manager or by an employee of a customer or vendor, you should notify your supervisor or manager or Human Resources immediately. The matter will be held confidential and thoroughly investigated; where appropriate, disciplinary action will be taken.

You should also be aware that no supervisor or other member of management is authorized to make any employment decision based in any way on an employee's submission to or rejection of sexual conduct or advances. No supervisor or other member of management has the authority to suggest to any employee that the employee's continued employment or future advancement will be affected in any way because the employee enters into or refuses to enter into any form of sexual or other personal relationship with the supervisor or member of management. No supervisor or member of management may coerce an employee into a sexual relationship and then reward the employee. No supervisor or manager may take disciplinary action against an employee or deny a raise, promotion, transfer, award, and etc. to an employee because he or she has rejected sexual advances.

If you believe that a supervisor or member of management has acted inconsistently with this policy, if you are not comfortable bringing a complaint regarding harassment to your immediate supervisor or if you believe that your complaint concerning a co-worker or an employee of a customer or vendor has not been handled to your satisfaction, please immediately exercise the "Open Door Policy" and contact your Human Resource Manager, President of the Company or CEO..

YOU WILL NOT BE PENALIZED IN ANY WAY FOR REPORTING IMPROPER CONDUCT.

Please do not assume that the Company is aware of your problem. Please bring your complaints and concerns to our attention so that we can resolve them.

1.8 Starting Employment

You were hired because of your apparent ability or capacity to perform a certain job. Because you are a new employee, it will take time before you are fully familiar with the people, procedures, and responsibilities of your

particular assignment. For this reason, the first ninety days of employment is considered a probation period. Completion of the probation period does not change or alter the “at-will” employment relationship. You continue to have the right to terminate your employment at any time, with or without cause or notice, and the Company has the same right.

1.9 Personnel Records

Human Resources maintain confidential employment records for every employee. It is important that this record be up to date. Please notify Human Resources of any changes in your address, telephone number, marital status, number of dependents, educational progress, and any other data that is maintained in your permanent records.

Employees may review their records by scheduling an appointment with Human Resources. Human Resources must be present during the review.

1.10 Career Opportunities

Your career is important to you. It is also important to PSI. The Company practices a promotion from within policy when possible. In some instances, the Company will go outside to fill a vacancy where a specific job skill/experience or educational level is required. Most job openings are posted on the Company Bulletin Board.

To apply for a posted position, you must complete a job posting application, obtain your Supervisor’s approval, and forward the application along with your resume to Human Resources. Internal applicants may not be considered for open positions once postings have been removed.

The Company, at its discretion, may consider employees for positions not posted.

1.11 Classification of Employees

- Full-Time Employee: An employee who is consistently scheduled to work at least 40 hours per week. The employees are eligible for the Company benefits upon meeting eligibility requirements.
- Part-Time Employee: An employee who is consistently scheduled to work fewer than 30 hours per week. These employees are not eligible for Company benefits.

Pay Policies

2.1 Work Schedule/Breaks

Polymer Sciences, Inc. has instituted a flex work schedule. Flex schedules are set and cannot be changed day-to-day or week-to-week and must include an eight (8) hour workday. Once you have set your schedule with your supervisor then that schedule becomes your normal work hours. Each work unit must have adequate coverage. Flex schedules may begin at 7:00a.m. All employees must be at work between the hours of 9:00a.m. and 3:00p.m. Your immediate supervisor must approve all flex schedules. Each work unit's schedule must be provided to Human Resources.

All employees are entitled to an hour (1) for lunch. Breaks during the course of an employee's scheduled shift are an employee benefit and should not be taken at the expense of the customer or your co-workers. Although not legally required, PSI entitles all employees to a 15 minute morning and afternoon break, however; no department will be left unattended if at all possible.

All breaks taken in the plant are in approved areas of the office or plant only. Unapproved areas are prohibited and may result in disciplinary action or termination. All such areas will be posted as approved break areas. Ask your supervisor to familiarize you with the posted and approved break areas.

2.2 Recording Hours/Time and Attendance System

All hourly employees are required to clock in and out at the start and completion of each shift. Hourly employees are also required to clock out and in at the start and completion of meal breaks. Both the supervisor and employee must initial corrections to time cards or time sheets.

Only the hours registered using the time clock will be used to calculate pay. Should an employee fail to use the time clock, the department supervisor must be notified by the employee so necessary corrections can be made.

At no time are employees allowed to clock in or out for another employee or ask another employee to clock in or out for them. Doing so is grounds for immediate disciplinary action and possible termination.

2.3 Pay Period

Payday is the 1st and 15th days of each month. Employees are paid through the current pay period. When a payday falls on a weekend,

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payday will occur on the previous business day. Please do not ask for early payment as the pay days are strictly enforced above.

PSI offers Direct Deposit for its' employees. Employees may have all or a portion of their paycheck directly deposited into a bank account or credit union account, providing the institution accepts wire transfers. See Human Resources to sign up for this. An employee's final paycheck will be mailed to the employee's home address.

Benefits

3.1 Insurance—Medical, Life, Short/Long Term, Dental, Vision

Only full-time regular employees of PSI are eligible for comprehensive health, major medical, dental, vision and life insurance. Temporary employees are not eligible for benefits. Coverage is effective with their hire date. The Company pays 100% of the premium for the employee and their family members. The policy includes a \$5,000.00 major medical deductible per year, If the employee wishes for a lower deductible, the employee can pay the difference by withholding directly from the employees paycheck before taxes. If employee seeks reimbursement for payments made directly to the Insurance Carrier, the employee will need to show proof of payment by way of an Insurance bill attached to an expense report before reimbursement will be paid. PSI reserves the right to terminate this benefit at any time and for any reason with 30 days notice to any or all employees. The coverage to the employee for health insurance, on family members other than themselves, is as follows:

Employee Coverage.....	Paid 100% by PSI
Legal Spouse Only.....	included
Children Only	included
Family other than legal ² spouse & Children.....	not - included

The current Health Insurance Plan may also provide Life Insurance coverage for each employee. If the employee elects life insurance coverage the premium cost will be the responsibility of the employee. If you elect to do so, discuss the options with the Human Resources Director.

3.2 Vacation

The Company provides paid vacation based on length of service. During the first 90 days of employment, you are not eligible to take vacation. The schedule of vacation entitlements is as follows:

Length of Service	Vacation Entitlements
1 year	5 Days
2 – 6 years	10 Days
7 – 10 years	15 Days
11 – 16 years	20 Days
15 – plus years	25 Days

² Legal is defined as marriages, dependents and adoptions as recognized by the State of Georgia, USA.

All vacation must be taken in ½ day or full day increments. Vacation entitlements cover annual periods of employment. Vacation time may not occur more than 14 days concurrently, employees must be back to work for at least 15 days before taking another 5 plus days of vacation. All vacation times must be approved by your supervisor and you are strongly encouraged to do so before you make your plans.

3.3 Personal Days & Sick Days

The Company provides regular full-time employees seven (7) personal days per calendar year for occasions such as personal/religious observances, doctor appointments, sickness of the employee or their children or personal business appointments. During the first calendar year of employment, employees hired after July 1st will receive only two (2) personal days.

Personal days must have the approval of your supervisor and must be taken by December 31st or they are forfeited. Personal days must be taken in ½ day or full day increments. Personal days are not paid at time of termination.

3.4 Holidays

The Company observes a schedule of 10 paid holidays each calendar year. A listing of the holidays is distributed each year and may be obtained from your supervisor or Human Resources.

When a holiday falls on a weekend, the closest business day will be observed. For example, if Independence Day is on a Saturday, then it will be observed on Friday or if Christmas Day falls on a Sunday, then it will be observed on Monday, unless otherwise posted.

3.5 401K

Employees become eligible to participate in the Company sponsored 401K Plan after ½ year of service. An eligible employee may defer up to 100% of their compensation, or as per IRS regulations. 401K deferrals are pretax. The Company will make a matching contribution of 3%, of compensation deferred. Deferrals and matching contributions are funded to the Plan semi-monthly. Contact Human Resources for the plan guidelines and legal limits.

3.6 Educational Assistance/ College 529 Plans / Loans

After one year service all full time employees are eligible for reimbursement of registration fees, tuition, books and materials related to continuing educational programs as related to job, finishing high school and continuing education after approval from supervisor and management. Costs

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are subject to grade performance and employees will be required to pay back these costs if they leave the company within 2 years after completion of courses.

All employees are eligible for 529 college savings plans, depending on your States eligibility requirements. Although this plan is through secondary services, you may contact the Human Resources Director to find out more about the program, the program administer and to arrange for direct payroll deductions that may benefit your paycheck by legally reducing your tax burden on your paycheck.

Loans to individuals in the company will not be made. Polymer Sciences will do all possible to assist employees that need help in unique situations, but PSI will not be able to loan money to employees. Please see your supervisor if you need assistance in obtaining a loan through traditional banks or credit unions.

Policies

4.1 Dress Code

As an employee of Polymer Sciences, Inc., you represent the Company to our customers, customers, business associates, visitors, and your fellow employees. It is therefore important that the personal appearance and hygiene of every employee reflect the Company's high standards of service. Business casual attire is the standard dress code required of PSI office employees. PSI's dress code applies to all employees during their normal working hours, Monday – Friday, with the exception of the Warehouse and manufacturing areas, where a more casual dress code is allowed.

Business Office casual attire is defined as follows:

- Casual pants (like "Dockers" style or khakis, etc), casual skirts
- Oxford shirts/blouses, Polo or golf style shirts with collars
- Sleeveless blouses for ladies are acceptable provided they are not tank tops halter tops or revealing in any way
- Shoes should be worn exercising good judgment in keeping with business casual guidelines. See below for shoes not allowed.
- Shorts designed as business suits are acceptable.

Plant & Warehouse Attire:

- Casual pants and shorts no more than five inches above the knee (no cut offs)
- T-Shirts and shirts without collars, no open unbuttoned shirts all full button shirts buttoned up to the chest, sleeveless are acceptable provided they are not loose enough to be caught or tangled in machinery
- Approved workers boots and shoes should be worn in the manufacturing and warehouse at all times.

Attire **NOT ALLOWED** in Plant, warehouse or Offices

- flip flops, casual sandals or open-toe shoes, roller shoes, tennis shoes and sling back shoes are not allowed at any time,
- Torn or ripped clothing, over-sized clothing or clothing dragging the ground, hats of any kind, offensive writing, stitching, logos or pictures on clothing
- Gang style apparel or gang colors, loose belts, threads or attire subject to entanglement

All Health and Safety Policies at customer locations will take precedent over PSI Dress Code policy when PSI employees are at a customer facility.

4.2 Attendance

Absence:

Employees who are absent from work must personally notify their Supervisor within 1 hour before or one-half hour after their start time of each day absent. Absences not reported to the Supervisor within one hour after start time are classified as unreported and unexcused. An employee with three unreported absences will be considered to have voluntarily resigned from the Company.

4.2.1 Excused Absences:

An excused absence is defined as an absence that occurs for one of the following reasons:

- Hospital confinement
- Approved leave of absence
- Pre-arranged absence (personal day or vacation)
- Worker's compensation injury
- Military service
- Death in the immediate family (this does **not** include friends)
- Jury Duty
- Illness of the employee or the employee's child
- National or State election days (tardiness only not full day)

Excused absences are not considered for disciplinary purposes.

4.2.2 Unexcused Absences:

An unexcused absence is any absence that does not meet the requirements of an excused absence listed above. Unexcused absences are grounds for disciplinary action. Using a personal day does not automatically excuse the absence; all personal days must be cleared with your supervisor. Paid personal days will be determined to be excused or unexcused based on the criteria listed above. An employee must take a vacation day for unexcused absences when personal days have all been exhausted.

Tardiness:

We expect all employees to be at their assigned work areas at the appointed starting time. We understand that traffic pattern problems may occasionally cause a delay in arriving to work. However, it is your responsibility to plan your arrival to work and avoid tardiness. Our business requires us to provide service to our customers. We must be able to ensure that our excellent quality service is maintained all day, every day. If you are not at work and ready to function at the appropriate time then your co-worker(s) will be forced to perform your function(s) as well as theirs, this is unfair to everyone who makes the effort to show up on time.

An employee is considered tardy if more than five minutes are missed during your work shift. If a pattern of late arrivals (arrival to work or return from lunch) is established, disciplinary action may be taken. The employee will be notified when occurrences are given.

4.3 Disciplinary Policy

PSI offers employees an opportunity to correct work-related problems through a progressive system of discipline. The Company is the sole judge of appropriate disciplinary action. This program for disciplinary action does not apply to termination for illegal or other improper behavior, which may be immediate. When the seriousness of an infraction does not warrant immediate termination, a final warning may be issued. Otherwise, the disciplinary procedure is as follows:

- Step 1: His/her Supervisor gives the employee a first (verbal) warning. The purpose of this meeting is to discuss the infraction and a solution with the employee. Documentation of the meeting is sent to Human Resources and becomes part of the employment record.
- Step 2: Should the violating action continue the employee receives a written warning. At this time, the Supervisor stresses that failure to correct the problem may result in termination. A record of the meeting, signed by both the Supervisor and employee, is sent to Human Resources.
- Step 3: If a violation occurs after the final written warning or an accumulation of different infractions occurs the employee is subject to termination.

Any corrective action documentation will stay active for 12 months. At the end of the 12-month period and no further incidents have occurred the documentation will be considered inactive. Appraisals due during the corrective action period may be delayed until the performance problems are corrected.

Any criminal conviction, except traffic violations, will result in immediate termination from Polymer Sciences, Inc.

Review section 4.4 "Standards of Conduct" for a list of actions that may result in immediate termination.

4.4 Standards of Conduct

Every city, nation and society has rules for the orderly conduct of

business. People cannot live and work together successfully and enjoyably without order.

Polymer Sciences, Inc. is the same way. We need to have certain reasonable policies and rules for the conduct of our business. Our most important rule is the "rule of reason". There are a few basic rules that should not be violated under any circumstances. Violation of these basic rules may lead to discipline, up to and including immediate termination. Obviously, this list is not all-inclusive and there may be other circumstances for which employees may be disciplined, up to and including immediate termination. If you have any questions about these basic rules, or what we expect of you as one of our employees, please discuss them with your supervisor.

PSI's identification of these rules and of its disciplinary policy outlined in the preceding section of this Handbook does not alter the at-will nature of your employment. You have the right to terminate your employment at any time, with or without cause or notice, and the Company has the same right.

It is within the sole discretion of the Company to determine whether an employee has violated any standard of conduct, regardless of whether or not that standard is included on the following list, and what disciplinary action is warranted when a standard has been violated.

The orderly and efficient operation of PSI and the safety of all employees require that everyone adhere to strict standards of personal conduct at all times.

Employees who engage in conduct including but not limited to the following may be subject to severe disciplinary action up to and including immediate termination.

1. Theft or destruction of property belonging to other employees, the Company, our customers, suppliers or vendors.
2. Being under the influence of or possessing intoxicants or narcotics on Company property.
3. Disorderly conduct of any kind including fighting or any willful act resulting in physical force or injury to others.
4. Falsification of any Company record or of any documentation provided by the employee to the Company.
5. Clocking in or out for someone else or having someone else clock in or out for you.
6. Disclosure of confidential information when not directly job related.
7. Insubordination, including the refusal to perform a reasonable request of supervision or behaving in an unprofessional manner.

8. Possession of a weapon on Company property or weapon materials.
9. Failure to report to work without notifying supervisor.
10. Inappropriate phone handling of customer calls including but not limited to rudeness, tone of voice, etc.
11. Your inability to get along with your fellow employees, causing disruption in your department or other areas within the Company including excessive use of foul language.
12. Use of personal cellular phones during working hours on Company property unless during and in designated breaks areas.
13. Excessive use of Company resources to perform personal functions.
14. Sexual harassment.
15. Sleeping on the job or during training.
16. Conflict of interest such as working another full time or part time job that may endanger yourself or others at PSI or working for another company engaged in the same or similar business as Polymer Sciences, Inc.
17. Misuse of Company property or assets.
18. Actions or behavior on or off the job, which negatively affect the company's reputation.
19. Any behavior, action or activity that presents itself as a potential safety emergency or threat issue to a co-worker or company property.

Human Resources must approve all terminations prior to such action being taken.

4.5 Performance Appraisals

All employees will receive a performance appraisal at the end of each calendar year. Performance appraisals include a self-appraisal and Individual Development Plan (IDP). The IDP and objectives are set at the beginning of the review period and then evaluated during the year. New employees will be given a performance appraisal at the end of his/her 90-day probationary period.

An employee who transfers to another department may receive a performance appraisal for the position he/she is leaving prior to the transfer and another appraisal at the completion of ninety days in the new position.

4.6 Substance Abuse Policy

Polymer Sciences, Inc. has a vital interest in maintaining safe, healthful and efficient working conditions for its employees and providing professional, accurate service to our customers. The Company's policy is

to employ a work force free from the use of illegal drugs and the abuse of alcohol. An employee determined to be in violation of this policy is subject to disciplinary action, which may include termination, even for the first offense. The use, sale, purchase, manufacture, transfer, distribution or possession of an illegal drug or controlled substance by any employee while in a Company facility or while performing Company business is considered a violation.

Legal drugs are defined as prescribed drugs and over-the-counter drugs that have been legally obtained and are being used solely for the purpose for which they were prescribed.

Illegal drugs are defined as any drug that is not legal; that may be legally obtainable, but has not been legally obtained or that is being used in a manner or a purpose other than as prescribed.

4.7 Random Drug Test Policy

Each month, a small number of employees from all locations and all levels of the company will be selected at random for a random drug test. Employees are expected to take the test within 24 hours of being notified of their selection. Employees who test positive may be terminated or administratively referred to a substance abuse treatment center. Failure to submit to testing or treatment is considered a violation of this policy and is grounds for termination. Since this is a true random selection, it is possible for an employee to be selected more than once and another not to be selected at all.

Employees may be required to submit to drug testing at a laboratory chosen by the Company if there is cause for reasonable suspicion of substance abuse. Circumstances that could be indicators of a substance abuse problem and considered reasonable suspicion are:

1. Observed alcohol or drug abuse during working hours on Company premises.
2. Apparent physical state of impairment.
3. Incoherent mental state.
4. Deteriorating work performance that is not attributable to other factors.
5. Accidents or other actions that provide reasonable cause to believe the employee may be under the influence.

In addition, employees working in highly sensitive areas may be asked to submit to drug testing during the course of their employment with Polymer Sciences, Inc.

Employees who have been informed by their physician that their use of a prescribed legal drug may present a safety risk or interfere with any aspect of their job performance are required to report the use of this medication to their Supervisor. An employee may continue to work under the influence of a legal drug if there has been a medical judgment that the employee does not pose a threat to his/her own safety or the safety of co-workers and the employee's job performance is not significantly affected. Otherwise, an employee may be required to take a medical leave of absence.

4.8 Family Medical Leave Policy

Eligible employees may take up to 12 weeks of unpaid, job-protected leave each year for specified family and medical reasons.

4.8.1 Employee Eligibility

- To be eligible for family or medical leave, you must:
- Have worked at least 12 months for the Company;
- Have worked at least 1,250 hours for the Company over the previous 12 months.

4.8.2 Conditions Triggering Leave

- Family and medical leave must involve at least one of the following reasons:
- For the birth of a child, to care for a newly born child, or placement of a child with the employee for adoption or foster care
- To care for an immediate family member (spouse, child, or employee's parent) with a serious health condition
- Because of the employee's serious health condition which makes the employee unable to perform the functions of the employee's job.

4.8.3 Duration of Leave

Eligible employees may receive up to 12 workweeks of unpaid leave during any "rolling" 12-month period, measured backward from the date of any family or medical leave. Family and medical leave involving the birth or placement of a child for adoption or foster care must be concluded within 12 months of the birth or placement.

You may take family and medical leave intermittently – which means taking leave in blocks of time, or by reducing your normal weekly or daily work schedule – whenever it is medically necessary to care for a seriously ill family member, or because you are seriously ill and unable to work. Intermittent leave is not permitted for birth of child, to care for a newly born child, or placement of a child for adoption or foster care.

When both spouses are employed by PSI, an aggregate leave, totaling twelve weeks, will be granted in cases of birth or placement of a child or illness of a parent. Each spouse will be granted twelve weeks maximum leave in cases of illness of a child or the other spouse.

Human Resources must approve all requests for leave in writing on "Request for Family Medical Leave" form. A request for leave must be accompanied by a physician's certification that must include the date on which the serious health condition began, the probable duration of the condition with expected date of return to work, appropriate medical facts regarding the condition, a statement that the employee is needed to care for a spouse, parent or child or that the employee is unable to perform the functions of the position; and in the case of intermittent leave, the dates and duration of treatments to be given.

An employee must notify his/her Supervisor of his/her anticipated date of return. An employee who does not return to work on the schedule return date is reclassified as having voluntarily resigned.

Depending on the purpose of your leave request, you may choose (or the Company may require you) to use accrued paid leave, if available, as a substitute for some or all of the family and medical leave.

4.8.4 Maintenance of Health Benefits

If you and/or family participate in a group health plan, the Company will maintain coverage under the plan during your family and medical leave. This coverage will be provided if you or your family were covered under the plan before the leave was taken and on the same terms as if you had continued to work. Where appropriate, you must make arrangements to pay your share of health plan premiums while on leave.

4.8.5 Job Restoration

Upon returning from a family and medical leave, you will normally be restored to your original job, or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions providing a position is available. In addition, your use of family and medical leave will not result in the loss of any employment benefits that you earned or were entitled to before using family and medical leave.

4.8.6 Notice and Medical Certification

When seeking family and medical leave, you must provide:

- 30 days advance notice of need to take family and medical

- leave, if the need is foreseeable;
- Medical certifications supporting the need for leave due to a serious health condition affecting you or an immediate family member. Second or third medical opinions and periodic re-certifications at the Company's expense may also be required.
 - Such periodic reports as deemed appropriate during the leave regarding your status and intent to return to work.
 - Medical certification of fitness for duty before returning to work, if the leave was due to your serious health condition.

While leave is needed for a planned medical treatment for your own serious health condition or that of an immediate family member, you must try to schedule treatment so that it will not unduly disrupt the Company's operation. Failure to comply with these requirements may result in delay or denial of leave.

4.8.7 Other Employment

We prohibit any outside or supplemental employment during leave. Accordingly, outside employment during your leave period is prohibited, and may result in disciplinary action, up to and including immediate termination of employment.

4.8.8 Exceeding FMLA Leave

Any employee who exceeds their 12-week FMLA entitlement may be subject to termination.

4.8.9 Non-Contractual Nature Of This Policy

The duration of leave, availability of benefits, opportunity for job restoration, and other rights and privileges associated with FMLA Leave are limited by the requirements of applicable state and federal law. No express or implied contractual rights should be inferred from this policy. The Company reserves the right to modify this or any other policy as necessary, in its sole discretion.

The Company will grant a medical/family leave of absence to regular employees who meet eligibility requirements. The Company may grant leaves of absence for personal, bereavement, jury duty, or military purposes.

4.9 Non-Family Leave

Employees not eligible for family leave, but who have completed their first 90 days may be granted a medical leave of up to six weeks at sole discretion of the Company. Employees may be returned to a similar

position if one is available and the employee's performance record is acceptable to management. An employee is not guaranteed a position at the end of his/her requested leave. Employees must notify their supervisor of return date and provide authorization (such as a letter from physician to return to work). An employee must exhaust all available leave, both vacation and personal days, at the beginning of the requested leave then he/she will be placed on leave without pay for the remainder of the medical leave.

4.10 Personal Leave

An employee who has completed a least one-year of service as a regular full-time employee may be granted a Personal Leave for up to one month when pressing personal reasons not connected with business ventures or permissible employment outside the Company necessitate a period of absence. No compensation is paid to employees on Personal Leave and employees are not guaranteed re-employment. If it is possible to maintain normal departmental operations during the employee's absence re-employment may occur. Human Resources and the President of Polymer Sciences, Inc. must approve any exceptions to these provisions.

Any employee on Personal Leave continues to receive Company health benefits for one month provided he/she pays the contribution portion in advance. After this one-month period, the employee must either convert his/her policy pursuant to the guidelines in the COBRA notification that the Company will send to the employee, or the policy will be automatically canceled.

An employee who does not return to work on his/her scheduled return date will be considered to have voluntarily resigned from the Company.

4.11 Bereavement Leave

Employees (full-time and part-time) may be excused from work for up to five work days with pay in the event of the death of a member of the employee's immediate family. For purposes of this policy, immediate family member includes spouse, child, stepchild, parent, grandparent, grandchild, step-grandchild, stepparent, brother, stepbrother, sister, stepsister, father-in-law, or mother-in-law.

Employees may be excused from work for up to two days with pay in the event of the death of a family member other than those mentioned above. Employees qualify for bereavement leave upon hire date.

4.12 Jury Duty

If you receive a call to jury duty, please notify your supervisor immediately so he or she may plan the department's work with as little disruption as possible. This applies to full-time and part-time employees.

While you are on jury duty, the Company will pay the difference between your basic rate of pay and the total amount of pay you receive from serving as a juror, for a minimum of one week per year, or more if so required by controlling state or local law.

Employees who are released from jury service before the end of their regularly scheduled shift or who are not asked to serve on a jury panel are expected to call their supervisor as soon as possible and report to work if requested.

4.13 Military Leave

Employees belonging to a military reserve unit that requires two weeks training each year are granted this time off without pay. A copy of the training orders must be provided to the employee's Supervisor and Human Resources as far in advance as possible to ensure adequate staffing during the employee's absence. Employees may use earned vacation during this time to cover lost wages.

4.14 Smoking Policy

All Polymer Sciences, Inc. buildings are designated "non-smoking". Any employee wishing to smoke must do so outside. Tobacco products must be extinguished and disposed of in a proper receptacle prior to entering the building. Smoking is not permitted in or near the front entrance of any Polymer Sciences, Inc. facility. A designated smoking area is at the doors in the warehouse area.

4.15 Employment of Relatives

Polymer Sciences, Inc. considers the application for employment of employees' relatives the same way as any other applicant – on the basis of qualifications and valid requirements of an available position.

The only exceptions being that at no time will the relative of an employee be placed in a position that raises a conflict of interest unless previously approved by the President or CEO of Polymer Sciences. Human Resources, the CEO or the President of Polymer Sciences, Inc may help decide conflicts of interest. The President or CEO will give the final decision.

4.16 Separations/Terminations

Separations from the Company are classified as voluntary (employee initiated) or involuntary (Company initiated).

Employees leaving the Company are expected to give a minimum of two weeks' notice when voluntarily leaving the Company unless previous agreements have been made. Failure to give proper notification may result in ineligibility for re-hire.

4.17 Bulletin Boards

Company bulletin boards are located in several areas to provide employees with information concerning Company activities, policies, job openings, etc. Employees are encouraged to read the bulletin boards on a regular basis. A company Web Bulletin Board also exists for all employees to review by Computer.

4.18 Employment Verifications/References

All requests for references and verification of employment must be referred to Human Resources. Human Resources will verify employment dates and titles over the telephone. Release of salary information requires a signed authorization by the employee.

4.19 Break Room

A break room is located in the building for the employees' convenience. The break room is equipped with a refrigerator, microwave, coffee machine, sink, etc. Your cooperation is needed to help keep the break room clean and free of litter.

4.20 Personal Phone Calls

Employees are allowed to send and receive personal phone calls at their place of business, however; these calls should be restricted by the employee and kept to a minimum. If special circumstances require an employee to send or receive a high volume of calls, the employee will need to discuss the circumstances regarding the necessity for these calls.

Security/Safety

6.1 Confidential Information

Security is of paramount importance to PSI and a necessary part of our business. PSI, in conducting our business, has access to a great deal of confidential information. The Company must maintain the confidentiality of this sensitive information.

All information concerning any aspect of PSI's business, customers, customers, and employees is confidential and is not to be discussed with or revealed to any person except in the performance of normal job duties.

6.2 Salary Confidentiality

The Company maintains salary information for each employee on a confidential basis. Some employees, while performing their regular job duties may come in contact with salary information. Discussion of salary information amongst coworkers may expose the company to significant morale problems and is expressly forbidden. Failure to adhere to the Company's policy on maintaining salary confidentiality may subject an employee to disciplinary action up to and including termination.

6.3 Computer Use

Computers, computer systems and electronic media equipment (including computer accounts, laptop computers, cellular phones, printers, software, electronic mail, Internet) at PSI are provided for the use of PSI employees (where applicable) for PSI business-related use. Regarding computer information, voice mail, e-mail or letters addressed to a Company address, the employee has no privacy rights to this information. It is the responsibility of PSI employees to see that these information systems are used in an efficient, ethical and lawful manner. A violation of the provisions of this policy may result in disciplinary action up to and including termination.

6.4 E-mail Use

Polymer Sciences, Inc. relies on its computer network to conduct its business. It is every employee's duty to use PSI's computer resources responsibly, professionally, ethically, and lawfully.

Users should not have an expectation of privacy in anything they create, store, send or receive on the computer system. The computer system belongs to the computer and may be used only for business purposes. The company may access and review any material of the user

at any time. Users expressly waive any right of privacy in anything they create, store, send or receive on the computer or through the Internet or any other computer network.

Prohibited Activities:

Material that is fraudulent, harassing, embarrassing sexually explicit, profane, obscene, intimidating, defamatory, or otherwise unlawful or inappropriate may not be sent by email or other form of electronic communication or displayed on or stored in PSI's computer. Users encountering or receiving this kind of material should immediately report the incident to their supervisors. If the rights of e-mail are abused, individuals may be subject to disciplinary action, including possible termination.

Responsibility for passwords. Users are responsible for safeguarding their passwords. Users are responsible for all transactions made using their passwords. No User may access the computer system with another User's password or account. All passwords, upon creation and/or changes made are to be e-mailed to Human Resources.

6.5 Cellular Phone & Personal Music & Data devices

While on Company travel, conducting Company Business or in the use of Company Supplied Cell Phones, all employees will refrain from operating a motor vehicle while talking on the Cell Phone. Employees are directed to allow the voice mail feature of their phone to answer in coming calls and then return such calls once the employee has safely pulled off the road.

During Company Meetings, employees attending meetings should place their phones on vibrate, or low ring. It may be necessary for the meeting organizer to ask that phones be turned off temporarily during the meeting.

All employees will refrain from personal phone calls during working hours except where permitted in designated break rooms. Personal Cell phone use is not permitted in the warehouse or manufacturing areas.

All personal music, cell phone music and data communications and devices use is prohibited except in designated break room under approved conditions. Music and dancing in break rooms or the plant is prohibited except where approved by management, use of radios in the break room during approved breaks for current events including news, weather or sporting events is acceptable under approved conditions.

6.6 Internet Use

Employees may be provided with access to the Internet to assist them in performing their jobs. Use of the Internet, however, must be

tempered with common sense and good judgment. If the rights to the Internet are abused, individuals may be subject to disciplinary action, including possible termination, and you may also be subject to certain criminal and civil liability.

6.7 Safety

Safety is of prime importance to PSI. It is essential that all employees and visitors conduct their work in the safest possible manner. Employees are asked to share in the responsibility by reporting any potentially unsafe conditions to their immediate Supervisor.

All Health and Safety Policies at customer locations will take precedent over PSI Dress Code policy when PSI employees are at a customer facility.

Fire Safety

PSI is concerned that all employees should become familiar with general fire and evacuation procedures. There are certain points of interest that all employees should be aware of as a precautionary procedure:

1. Do not panic.
2. If a fire is detected, you will receive evacuation information from your Supervisor.
3. Follow the evacuation route for your work area.
4. Once you have evacuated the building, move as far away from the building as possible, follow evacuation routes to designated areas. This allows emergency crews better access and ensures a safe distance from breaking glass.

All employees should become familiar with the location of all fire extinguishers and first aid kits. Any questions regarding fire safety or evacuation should be directed to your Supervisor.

6.8 Work-Related Injuries

Every work-related injury or illness must be reported to your Supervisor and Human Resources immediately. This includes any work-related injuries or illnesses for which medical attention is not sought. Employees must provide the necessary information to complete an Accident Report.

Employees must receive authorization from Human Resources prior to seeking medical attention for any work-related injury or illness. In emergency situations requiring immediate medical attention, the Supervisor will authorize the necessary medical attention.

6.9 ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE HANDBOOK

I have reviewed the Polymer Sciences, Inc. Employee Handbook. I agree to read the Handbook and abide by the policies and procedures contained therein. I understand that the policies, procedures and benefits contained in this employee handbook may be changed at the sole discretion of Polymer Sciences, Inc. at any time. I understand that the most current version of this handbook replaces any and all prior handbooks and policies of the company. I understand that Polymer Sciences, Inc. is an "at-will" employer and as such my employment with PSI is not for a fixed term or definite period and may be terminated at the will of either me as the employee or Polymer Sciences, Inc. as the employer, with or without cause, and with or without notice. I understand that nothing contained in this handbook or any other statement of policy or procedure may be construed as creating a contract of employment, or a promise of future benefits, with Polymer Sciences, Inc..

If I have questions regarding this handbook, I will bring them to the attention of my supervisor.

Employee Name (print)

Employee Signature Date

This is the END of the PSI Employee Handbook!