Quality Policy Manual

Section 5.1	Business Conduct Guidelines	Reference

The Quality Policy Manual applies to all divisions of Wanfeng MLTH Holding CO., LTD

1.0 PURPOSE:

1.01 Meridian is totally committed to conducting its business with the highest standards of ethics and in full compliance with the law.

This policy summarizes these principles and provides guidelines for each of us to follow as we meet ethical and legal challenges in our day-to-day activities at Meridian.

2.0 SCOPE:

2.01 Applies to all Meridian employees.

3.0 POLICY & PROCEDURE:

3.01 A Productive Working Environment

Meridian strives to provide all employees with a healthy, safe and productive environment. This environment extends beyond physical conditions. The work climate must also be free from discrimination and harassment based on race, ancestry, place of origin, color, ethnic origin, citizenship, creed, sex, sexual orientation, age, marital status, family status, handicap or any other unlawful reason. Meridian will not tolerate unwelcome sexual advances, actions, comments, or any other conduct in the workplace that creates, in the judgment of management, an intimidating or otherwise offensive environment. Similarly, the use of vulgar language, jokes, derogatory statements or innuendoes directed towards an individual or group based on race, ancestry, place of origin, color, ethnic origin, citizenship, creed, sex, sexual orientation, age, marital status, family status, handicap or any other unlawful reason are unacceptable. Photographs, pictures, cartoons or printed material which others might find offensive or degrading, or any other remarks or conduct that encourages or permits an offensive work environment, are unacceptable in the workplace, even if other employees do not seem to object.

If you believe you have been the victim of harassment or discrimination in the workplace, you should report the conduct to management. You may, as you believe appropriate under the circumstances, promptly report incidents of harassment or discrimination directly to your manager, the Human Resources Manager or the Director of Human Resources.

All complaints of such conduct will be investigated promptly and dealt with appropriately. Meridian will not tolerate threats or acts of retaliation or retribution against employees for bona fide usage of these channels. Employees who are found to have engaged in harassment or discrimination, or to have misused their positions of authority in this regard, are subject to disciplinary action, up to and including discharge.

Some other activities are prohibited because they clearly are not conducive to a

good work environment. Violent behavior, or the threat of violent behavior, will not be tolerated. The use, manufacture, dispensing, distribution, sale, possession of illegal drugs and other controlled substances, except for approved medical purposes, is prohibited on Meridian premises. In addition, employees should not be on Meridian premises or in any work environment if they are under the influence or affected by such illegal drugs, controlled substances, alcohol or any performance-altering drug. Employees who engage in any of these prohibited activities are subject to disciplinary action, up to and including discharge. Employees who are using prescribed medications, which may affect their ability to work safely, should inform management.

Each manufacturing location has additional Plant Rules that address workplace conduct. Employees are required to read, understand and accept such rules immediately upon accepting employment. Please consult with your local HR Department.

Freedom of Association

Meridian respects and adheres to universal principles and norms that protect human rights in employment, as specified in the Ten Principles of the UN Global Compact (UNGC) and in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, including, among other matters, with respect to the freedom of association and the freedom to conduct collective negotiations.

Respect for the Privacy of All Employees

Access to personal information about employees is restricted internally to people with a business need to know. Personal information is released outside Meridian only with employee approval, except to verify employment or satisfy legitimate business objectives while conducting Meridian's affairs and authorized investigatory or legal requirements such as responding to a subpoena. Employees who are responsible for maintaining personal information and those who are provided with access to such information must ensure that the information is not disclosed inappropriately or misused. All employees should be aware that personal computers, desks, fax machines, telephones and other facilities provided by Meridian are business assets and their use is always subject to Meridian inspection and audit.

3.02 <u>Your Obligations for Dealing with Environmental, Health and Safety Matters</u>

Every employee has a responsibility to be aware of and follow environmental, health and safety (EH&S) laws and Meridian policies. Examples of these responsibilities range from obtaining necessary permits for new manufacturing facilities to following office-recycling procedures. Should you have questions on compliance with EH&S laws and policies, contact your manager, the HR/HSE Manager, or the Health, Safety and Environment Coordinator. If you have any concerns regarding any potential non-compliance issues, notify your respective

manager or the respective management Health and Safety Representative.

Achieving environmental, health and safety excellence goes beyond full compliance with governmental laws and regulations. Each employee should develop an awareness of the EH&S implications of all their work activities. Practical results of EH&S awareness are conservation of natural resources, the development of safe and efficient products and services, and avoidance of potential harm to human health and the environment.

3.03 Your Obligations in Dealing with Meridian Assets

Protecting Meridian Assets

You are personally responsible not only for protecting Meridian property entrusted to you, but also for helping to protect the Company's assets in general. Your awareness of security procedures can play a critical role.

Meridian security practices are intended to protect all the Company's assets - its people, its property and its proprietary information. This includes confidential data entrusted to any employee in connection with their jobs, and intellectual property which is owned by Meridian or licensed to Meridian by others.

Each Meridian employee should carefully guard confidential and proprietary information about the Company. It is your responsibility to keep your desktop or work area clear, and your files locked, to follow local instructions concerning computer security, and to shred (rather than simply discard) sensitive documents.

If you have been given use of a Company-owned laptop computer, you should ensure that it is always secure.

You may not perform outside work or solicit such business on Company premises or while working on Company time, including time off you are given with pay to handle personal matters. Any employment which you engage in outside Meridian should not adversely affect your ability to perform the responsibilities of your position with the Company.

Also, you are not permitted to use Meridian equipment, telephones, materials, resources or proprietary information for any outside work. Similarly, Meridian supplies are Company property and are to assist you in doing your job. They are not for personal use.

All employees should be aware that personal computers, desks, fax machines, telephones lockers and other facilities provided by Meridian Lightweight Technologies Inc. are business assets and their use is always subject to compliance inspection and audit. The same potential for inspection and audit also applies to the use of the internet and any electronic communication methods, including email.

3.04 Direct Requests for Information

If someone outside the Company asks you questions, either directly or through another person, do not attempt to answer them unless you are certain you are authorized to do so. If you are not authorized, refer the person to the appropriate source within the Company. Similarly, unless you have been authorized to talk to reporters, industry analysts, or to anyone else writing about or otherwise covering the Company or the industries in which Meridian companies compete, direct

Confidential Information and Intellectual Property

For all employees, ideas and inventions developed during work at Meridian have become property of the Company. When you join Meridian as an employee, you are required to sign an agreement that sets out specific obligations you have as an employee, relating to the treatment of confidential information. Also under the agreement, you assign the rights to any ideas and inventions that you develop if they are in an area of the Company's business. Subject to U.S. and Canadian Law, International Law, or other Countries' Specific Laws e.g. Italy, UK, Germany, China, Korea, Japan, Mexico, this obligation applies no matter where or when, whether at work or after hours, such intellectual property is created. The existence of this intellectual property must be reported to your manager, and the property must be protected like any other proprietary information of the Company. However, if you believe that your idea or invention falls outside the area of Meridian business interests, you must promptly ask for a written disclaimer of ownership. Any such ideas or inventions pre-dating your employment must be disclosed at the time of hiring to ensure that no issues can later arise.

Copyrightable Material

Special care should be taken in acquiring software from others. As intellectual property, software is often protected by copyright or as a trade secret or as confidential information. Such software includes computer programs, databases and related documentation. No usage of copied software is allowed. Before you accept software or sign a license agreement, you must follow established procedures. The terms and conditions of license agreements such as provisions not to copy or distribute programs must be strictly followed. Also, if you acquire software for your personally owned equipment, you should not copy or allow another person to copy any part of the software in any work you do for Meridian or place the software on any Meridian owned computer.

Communication Systems at Meridian

The increasing reliance placed on internal information and communications facilities such as email and voice mail in carrying out Meridian business makes it essential to ensure their integrity. Like other communication assets such as telephones and fax machines, these facilities and the information they make available through a wide variety of databases should be used only for conducting Meridian business. Their unauthorized use, whether or not for personal gain, is a misappropriation of Meridian assets.

You should record and report all information accurately and honestly. Every employee records information of some kind and submits it to the Company. Some employees are directly
responsible for recording financial data and inaccurate or dishonest records or reporting of such information can have serious legal consequences.

Expense accounts are another important record. Employees are entitled to reimbursement for expenses which management considers reasonable but only if those expenses are actually incurred. To submit an expense account for meals not eaten, miles not driven, airline tickets not used, or for any other expense not incurred is dishonest reporting, is prohibited, and could result in dismissal as well as criminal prosecution.

Dishonest reporting of information to the Company or to organizations and people outside the Company is also strictly prohibited and could result in termination of your employment. It could lead to civil or even criminal liability for you and Meridian. This includes not only reporting information inaccurately but also organizing it in a way that is intended to mislead or misinform those who receive it.

Post-Employment Obligations

If you leave Meridian for any reason, including retirement, you still have obligations to protect Company business assets. You may not disclose or misuse confidential information with Meridian. Also, the Company's ownership of intellectual property that you created while you were an employee continues after you leave the Company.

3.05 Your Obligations in Conducting Meridian Business

Treat Everyone Fairly

Everyone you do business with is entitled to fair and even-handed treatment. That should be true no matter what your relationship with an outside organization may be whether you are buying on behalf of Meridian or representing the Company in any other capacity.

You must treat all suppliers fairly. In deciding among competing suppliers, weigh all the facts impartially. You should do so whether you are in a procurement function, any other part of the business, whether you are buying many items or just a few, contracting for a small repair job or procuring any other service.

Whether or not you can influence decisions involving the evaluation or selection of suppliers, you must not exert or attempt to exert influence to obtain "special treatment" on behalf of a particular supplier. Even to appear to do so can undermine the integrity of our established procedures. It is essential that suppliers competing for Meridian business have confidence in the integrity of our

selection process. That confidence could be jeopardized if former Meridian employees competing as suppliers or suppliers' representatives are perceived to have "inside information" or an unfair advantage because of their former Meridian job responsibilities.

Avoid Reciprocal Dealing

Seeking reciprocity is contrary to Meridian policy and can violate state or provincial and federal laws. In other words, you may not tell a prospective supplier that your decision to purchase its goods or services is conditional in the supplier's agreement to purchase Meridian products or services. To avoid reciprocal dealing, do not tell a prospective customer that it must purchase products and services from Meridian to be a supplier to the Company.

Antitrust Law and Conduct

The purpose of antitrust laws, which may also be known as competition, monopoly, fair trade or cartel laws, is to prevent interference with the functioning of a competitive market system. Effective competition should produce the highest quality goods and services at reasonable prices.

While the purpose of such laws is primarily economic, their effect is often seen as going beyond consumer welfare to protect other values of society, including individual freedoms. Under these laws, companies may not enter into agreements with other companies, however informally, that unreasonably restrict the functioning of our competitive system.

3.06 Gifts and Entertainment

Gifts offered to or exchanged by employees of different companies vary widely. They can range from widely distributed advertising novelties of nominal value, which you may give or accept, to commercial bribes, which you may not give or accept under any circumstances.

You may pay for or accept customary business amenities, such as meals, provided the expenses involved are kept at a reasonable level. However, Meridian generally expects its employees to pay (and be reimbursed) for normal business expenses. Business decisions must be made impartially based on price, quality, service and other relevant factors. In deciding when an amenity offered or gift is proper to accept, the basic guideline is that it cannot influence or appear to influence business decisions.

You should also be sensitive to the fact that most companies with which Meridian does business will have their own rules and practices regarding the acceptance of gifts, amenities, business meals or invitations to corporate events by their employees. It is Meridian policy to respect such rules and practices. Moreover, it is your responsibility to make certain that any gift, amenity, business meal or invitation to a corporate event is appropriate, under the circumstances, and is

accounted for in accordance with Meridian expense reporting policies. If you are unsure of, or unaware of any such policies or limitations, you should ask your manager or any of the individuals listed in the back of this booklet.

Neither you nor any member of your family may solicit or accept from a supplier or customer money (including loans) or a gift of more than nominal value from a supplier or customer with whom you personally do business in your position with Meridian or on behalf of the Company. Unless Meridian has specified to the contrary, you may accept promotional premiums and discounts offered by transportation companies, hotels, auto rental agencies, and restaurants when they are offered to travelers generally.

If you are offered money or an inappropriate gift, or if items of this kind arrive at either your home or office, tell your manager immediately. Appropriate arrangements will be made to return or dispose of what has been received, and the supplier will be reminded of Meridian's gift policy.

Gifts to governmental personnel are a very sensitive area. Under the law, it is never appropriate to give gifts to Governmental employees of any Country. It is also unlawful under certain country laws, including U.S. and Canadian Law, to make payments to foreign government officials or representatives who can influence the placement or retention of governmental business.

3.07 Your Obligations of Loyalty to the Company

Conflicts of Interest

Your private life is very much your own. Still, a conflict of interest may arise if you engage in any activities or advance any personal interests at the expense of Meridian interests. It is your responsibility to avoid situations in which your loyalty may become divided. Everyone's situation is different, and in evaluating yourself, you will have to consider many factors. The most common types of conflicts are addressed here to help you make informed decisions.

Assisting a Competitor

A possible conflict of interest is aiding an organization that markets products and services in competition with Meridian Lightweight Technologies Inc.'s current or potential products or service offerings. You must not, without reviewing the matter with your manager and / or Human Resources, work for such an organization as an employee, a consultant, as a member of its board of directors or in any other capacity. Such activities should be avoided because they may divide your loyalty between Meridian Lightweight Technologies Inc. and that organization.

Supplying Meridian Lightweight Technologies Inc. or Affiliated Meridian Companies

Generally, you may not be a supplier (including consulting services) to a Meridian company, represent a supplier to Meridian or work for a supplier to Meridian or be a member of a supplier's board of directors while you are an employee of Meridian.

In addition, you may not accept money or benefits of any kind for any advice or services you may provide to a supplier in connection with its business with Meridian. Also, you may not work on any products or services offered by a supplier to a Meridian company.

Public Service

Meridian encourages employees to be active in the civic life of their communities. However, such service may, at some time, place you in a situation that poses a conflict of interest with the Company.

As a board or committee member, you may, for example, be confronted with a decision involving Meridian. It might be a decision to purchase Meridian products or services. Or it might be a decision by a board of tax assessors or a zoning board that affects Meridian property. In such circumstances, your interest in Meridian and your obligation to the civic organization might pull you in opposite direction.
There are several considerations. The law may require you to abstain, depending on your position with Meridian and whether you stand to gain personally from the decision. On the other hand, there may be circumstances in which the law does not permit you to abstain. Before making your decision, you should get advice from the civic organization's lawyers and from Designated Counsel.

Political Contributions

Federal law and some state / provincial laws prohibit corporations from making political contributions. Employees may not make any contributions or payment on behalf of Meridian to political parties or candidates without prior review of the Designated Counsel and any other corporate review, which may be required. Also, the Company will not provide any other form of support that may be legally considered a political contribution, such as tickets to dinners or purchase of advertising without these prior reviews.

In this regard, your work time can be regarded as the equivalent of a political contribution by Meridian. To avoid possible legal exposure to the Company, you will not be paid by Meridian for any time you spend running for public office, serving as an elected official or campaigning for a political candidate, unless required by law. You can, however, take reasonable time off without pay for such activities, if your Meridian duties permit the time off and they are approved by your manager. You may also use vacation time for political activity, or you may be able to make up political activity time outside your regular work schedule.

Personal Financial Interests

You should not have a financial interest in any organization that Meridian does business with if that interest might cause you to have a conflict of interest with Meridian (minimal amounts of shares in publicly traded companies may be excluded from this paragraph).

Using Inside Information

The use of inside, or non-public information about Meridian for your own financial benefit not only is unethical but also may be a violation of federal or state / provincial security or any other country's laws. Security trading based on such information gives you an advantage over other investors who have no inside information, and this is contrary to our policy, public policy and the law.

It is essential that all employees adhere to the above noted Company Policies.

You should also not evade these guidelines by acting through an intermediary such as a broker, relative or a friend.

4.0 EMPLOYEE RESPONSIBILITY:

4.01 Honest, Fair and Lawful Conduct

Honest, fair and lawful conduct means honesty and fairness in dealing with fellow Meridian employees, assets, customers, suppliers, competitors, the government and the public. It also means understanding and complying with the law in the performance of your duties for Meridian.

4.02 Reporting Violations

Reporting conduct, which you believe is inconsistent with these principles, is essential for ensuring that we operate in full compliance with the law and the guidelines. The earlier that a violation is detected and investigated, the greater the likelihood that any objectionable conduct can be addressed before Meridian and its employees are placed in jeopardy. If you feel uncomfortable raising concern with your manager, you can call the Human Resources Manager or Corporate Human Resources number listed on the attachments of this policy.

5.0 DEFINITIONS: NONE

6.0 REFERENCE DOCUMENTS:

6.01 HR. G(F) 1.D – Meridian Business Conduct Agreement
6.02 HR. G 1.0 – Business Conduct Guidelines

7.0 RESPONSIBILITIES:
The Plant Manager at each Division is responsible for reviewing, approve, issue

and implementing this procedure to personnel throughout the organization. **8.0 DOCUMENT OWNER:** Director of Human Resource	