

# PRIMARY ENERGY RECYCLING CORPORATION AND ITS SUBSIDIARIES

## **BUSINESS POLICY**

As amended on June 15, 2011

### General

The business of PRIMARY ENERGY RECYCLING CORPORATION and its subsidiaries, both collectively and individually, (herein "PERC") shall always be conducted in an ethical and open manner that will maintain and enhance PERC's reputation for fair and ethical dealing and high quality services. PERC, any third party that provides management services to PERC (the "Manager") and all persons to whom this Business Policy applies, in the conduct of the business of PERC, shall comply with all applicable legal requirements of each province, state, country, and locality in which such business is conducted and in accordance with this business policy.

### Applicability

This Business Policy applies to:

- PERC and its employees
- each of PERC's subsidiaries and their employees
- The Manager and each of the employees of the Manager or its subsidiaries involved in the business or operations of PERC and/or its subsidiaries.

### Accounting Practices

The use of assets of PERC for any unlawful purpose is prohibited. No undisclosed or unrecorded fund or asset of PERC shall be established for any purpose.

No false or misleading entries shall be made in the books and records of PERC for any reason. Any payments made or received by PERC, whether in cash or otherwise, shall promptly and accurately be recorded on the books of PERC. No information may be concealed from the external auditor of PERC, management of PERC, the audit committee or the board of directors.

No payment on behalf of PERC shall be approved without adequate supporting documentation or made with the intention or understanding that any part of such payment is to be used for any unlawful purpose.

Compliance with generally accepted accounting rules and established internal controls is required at all times.

## Corruption of Foreign Public Officials

The Accounting Practices described above, in addition to being good business practice and the policy of PERC, are necessary to ensure PERC's compliance with applicable anti-corruption legislation. These laws, which are primarily intended to prevent improper or illegal payments to government officials, are wide-ranging, with potentially serious penalties against an individual or the company for violations, including possible imprisonment for an individual.

Do not offer excessive or inappropriate gifts or other benefits to persons, including public officials and political parties, that might influence or be perceived as influencing a business decision.

Some business situations call for giving gifts. Employees whose duties permit them to do so may offer modest gifts, entertainment or other benefits. The benefits must be given in accordance with generally accepted ethical business practices. Employees may never pay bribes or give gifts of cash or cash equivalents. Employees may not provide any gift if it is prohibited by law or the policy of the recipient's organization.

## Disclosure

All materials must be broadly disseminated in a timely manner. Disclosure must be full, fair, understandable and accurate and avoid any misrepresentation about PERC, its business and its finances. Disclosure must be accomplished consistently during both good times and bad. Selective disclosure is prohibited. All inquiries from third parties must be referred to the Chief Executive Officer or Chief Financial Officer of PERC.

## Conflicts of Interest

PERC requires that all employees avoid any situation which does or may involve a conflict between their personal interests and the interests of PERC. Each officer and employee has an obligation at all times to promote PERC's best interests in a lawful and ethical manner.

Conflicts of interests or unethical behavior may take many forms including, but not limited to, the acceptance of inappropriate gifts from competitors, vendors, potential vendors, or customers of the organization. While it is impossible to list every possible conflict of interest, the following will serve as a guide to the types of activity that might cause conflicts and should be reported to PERC:

- Ownership by an employee or any member of his or her immediate family living with the employee of a substantial financial interest in any outside concern which does business with or is a competitor of PERC, except where such interest consists of securities of a publicly-owned corporation and such securities are regularly traded on the open market.

- Service by an employee as a director, manager, or consultant to any outside concern which does business with or is a competitor of PERC, except with PERC's knowledge and consent.
- Dedication by an employee of substantial working time or PERC facilities for transacting business that does not advance the interest of PERC, except voluntary services for approved professional, scientific, educational, or charitable institutions.
- Acceptance by an employee or any member of his or her immediate family living with the employee of gifts of more than token value, loans (other than from established banking or financial institutions), excessive entertainment, or other substantial favors from any outside concern which does or is seeking to do business with or is a competitor of PERC.
- Representation of PERC by an employee in any transaction in which the employee or business associate or close relative (i.e., spouse, child, parent, brother, or sister) of the employee has a substantial interest.
- Disclosure or use of confidential PERC information or information which has been provided to PERC in confidence for the personal profit or advantage of the employee or anyone else.
- Competition with PERC by an employee, directly or indirectly, in the purchase or sale of property, property rights, or services.

Each employee must make prompt and full disclosure to PERC of any situation which may involve a conflict of interest. All information thus disclosed shall be treated confidentially, except to the extent PERC deems necessary for its protection or to comply with applicable laws.

### Insider Information Disclosure and Insider Trading

PERC as a publicly traded company is subject to securities laws and stock exchange rules relating to (i) the requirements of continuous and timely disclosure of material information and (ii) restrictions on trading by insiders. It is the policy of PERC that all of its employees, officers and directors and those of any third party, such as the Manager, that has a special relationship with PERC refrain from disclosing to third parties any material information that they may receive in the course of their duties, or by virtue of their connection with PERC, relating to the business, operations, financial condition and dealings of PERC prior to public disclosure of such information ("Insider Information") by PERC. Employees, officers and directors of PERC, its affiliates and the Manager should be aware that they have a legal duty to refrain from using any Inside Information in their possession to profit in transactions in PERC's securities or in the securities of companies with which PERC may have dealings, and that failure to refrain from such use could expose both them and PERC to civil and/or criminal penalties under the securities laws.

To more fully detail PERC's policies and procedures with respect to compliance with its obligations with respect to dissemination of Insider Information as well as its policies with respect to refraining from use of Insider Information in the trading of its

securities, PERC has separately adopted an "Disclosure and Insider Trading Policy." The Disclosure and Insider Trading Policy should be referred to for further detailed information as to the policies and procedures of PERC with respect to the handling of Insider Information.

### Employee Safety and Health

It is a fundamental policy of PERC to provide a safe work environment. Compliance with safety laws and related PERC policies is one of PERC's highest priorities. Each employee is to work safely at all times in order to prevent injury to themselves or others and to prevent damage to property. This requires familiarity and compliance with prescribed safety requirements of PERC and its customers and proper use, operation, and handling of tools, equipment, and materials.

Each employee of PERC is responsible for complying with applicable laws where business is conducted regarding employee safety and health.

### Equal Employment Opportunity

It is a fundamental policy of PERC to afford equal employment opportunity to all persons without regard to race, color, religion, ancestry, national origin, citizenship status, age, sex, sexual orientation, marital status, disability, veteran's status, or other protected group status as defined by applicable laws and regulations, with respect to all personnel actions and terms and conditions of employment. It is the intent of PERC to follow both the letter and the spirit of applicable laws governing equal employment opportunity as those laws exist today and as they may change in the future. All employees are expected to respect the employment rights of others so that there is no unlawful discrimination in the conduct of PERC's business.

### Harassment

PERC is committed to maintaining a productive work environment that is free from discriminatory, harassing, or disruptive activity or conduct. In keeping with this commitment, we will not tolerate unlawful harassment of PERC employees, either male or female, by anyone, including any supervisor, co-worker, visitor, vendor, client, or customer of PERC.

Harassment includes unwelcome conduct, whether verbal, physical, or visual, that is based on a person's protected status, such as race, color, religion, ancestry, national origin, citizenship status, age, sex, sexual orientation, marital status, disability, veteran's status, or other protected group status as defined by applicable laws and regulations. PERC will not tolerate harassing conduct that affects tangible job benefits, that interferes with an individual's work performance, or that creates an intimidating, hostile, or offensive working environment.

## Environmental Protection

Each employee of PERC and each business unit within PERC is expected to comply with applicable environmental laws and regulations of the locality where business is conducted. PERC's policy with respect to compliance with applicable environmental laws applies to all aspects of the operations of each business unit, including but not limited to plant operations, job site activities, and transportation of gases, petroleum products, cryogenic liquids, and other materials. Just as with the laws governing safety, violations of environmental laws can result in large liabilities for PERC and serious civil and criminal penalties for both PERC and the responsible individual, including fines, possible imprisonment, or both.

There are potentially significant health and safety risks, as well as potentially enormous clean-up costs, which may result from improper use, storage, handling, transportation, or disposal of hazardous and non-hazardous substances which result in any pollution of the land, air or water. PERC requires its employees not only to obey environmental laws to prevent pollution, but also to demand and ensure compliance from others with whom PERC does business, such as subcontractors or waste haulers, whose violations could result in liability to PERC. Equally, it is the legal and ethical responsibility of PERC to prevent its own violations which could lead to the imposition of liability on the customers of PERC. PERC expects every employee, regardless of that employee's position within PERC, to maintain a sensitivity to environmental issues as they affect the work place for which the employee may be responsible or where the employee's position is located and to act to minimize adverse effects in this critical area affecting PERC's business.

## Computer Use and Internet Policy

PERC provides designated employees access to the vast information resources of the Internet for the purpose of increasing productivity for business purposes, including communicating with customers, suppliers and colleagues, and carrying out research. While the Internet can help you do your job more efficiently, it can also be misused. Such misuse can waste time and potentially violate regulations, policies, and laws, including copyrights laws, which could result in personal liability. This policy is designed to help you understand the requirements and expectations for the use of this resource.

It is the policy of PERC to maintain a professional work environment and maintain compliance with applicable laws. In addition to this policy, other existing laws and policies apply to Internet use, including PERC personnel policies, use of PERC resources, sexual harassment, data security, and confidentiality. When using PERC computer systems and resources: (a) employees must identify themselves accurately and completely when corresponding or participating in interactive Internet activities, (b) employees must delete any offensive or obscene electronic mail or other such material received or encountered on the Internet and such material must not be forwarded, downloaded, printed or saved, (c) employees who encounter offensive or obscene e-mail or material, or who receive electronic mail from unknown individuals must notify the IT Manager of the Manager, and (d) employees are expected to keep personal

Internet use to an absolute minimum, and only in compliance with PERC personnel policies and supervisory work guidelines. Contact the IT Manager of the Manager with any questions you may have concerning permissible uses of Internet resources and please take care to protect PERC equipment from computer viruses.

Employees are prohibited from intercepting or accessing electronic mail or information intended for other employees; however, employees should not have any expectation of privacy as to their own Internet use, including the use of electronic mail. PERC (itself or through the Manager) reserves the right to monitor Internet use using PERC's and/or the Manager's equipment and resources and to inspect all the files stored thereon.

The following acts constitute a violation of this Policy and are prohibited: (a) use of PERC computer equipment or Internet lines to view, display, generate, store, distribute, edit, access, record, copy or print vulgar, obscene, or offensive material, (b) use of PERC equipment or Internet access to harass, annoy, or disrupt the work performance of others, (c) use of profanity or sexually-oriented language, (d) knowingly downloading or distributing any licensed or copyrighted material in violation of any copyright laws, or downloading any files, or software, without lawful purchase and prior consent of the IT Manager of the Manager, (e) sending unsolicited mass electronic mail, (f) releasing or disseminating PERC information through the Internet, except to those persons authorized to receive such information, (g) excessive personal use of Internet resources, (h) knowingly propagating any virus, worm, Trojan horse, trap-door, or back-door program code or to knowingly disable or overload any computer system, or network, (i) intercepting electronic mail or data intended for another user or circumventing any system intended to protect the security of another user and (j) using Internet access or computing resources to knowingly violate any applicable laws.

### Substance Abuse

A condition of employment and continued employment with PERC or its affiliates shall be compliance with PERC's policy that all of its facilities shall be operated in a drug and alcohol-free atmosphere. All employees are to abide by applicable substance abuse policies and laws concerning substance abuse in the workplace. The use, possession, presence in the body, manufacture, distribution, dispensation, transfer, storage, concealment, transportation or sale of illegal drugs, designer/synthetic drugs, unauthorized drugs and alcohol is prohibited on PERC premises, as is reporting for work or working while under the influence of such substances. It is the policy of PERC to comply with all applicable laws and regulations governing substance abuse in the workplace.

### Whistleblower Policy

PERC encourages prompt reporting of all conduct raising serious concerns that could have a negative impact on PERC. This policy is intended to be used for serious, material, and sensitive concerns. Conduct covered by this policy includes but is not limited to conduct that:

- Leads to incorrect financial reporting;
- Is an unlawful act;
- May cause substantial harm to PERC, to its employees, and those it serves;
- Is not in line with PERC's policies, including this Business Policy;
- Otherwise amounts to serious improper conduct;
- Violates environmental regulation.

Harassment and victimization of a complainant, or any other form of reprisal or retaliation against a complainant, will not be tolerated by PERC and will lead to disciplinary action up to and including termination of employment of those doing the harassing. In addition, PERC will make every effort, where feasible, to protect a complainant's identity. Anonymous concerns will be investigated; however, employees are encouraged to put their names on all allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Malicious allegations may result in disciplinary action up to and including termination of employment of those making the allegation.

Concerns under this Whistleblower Policy or any other matter covered by this Business Policy should be reported to PERC in the following ways:

- By directly contacting: Chief Executive Officer, Primary Energy Recycling Corporation, 2215 York Rd., Suite 202, Oak Brook, IL 60523; or
- By submitting a written report to: Chairman of the Governance Committee of PERC, c/o Primary Energy Recycling Corporation, 2215 York Rd., Suite 202, Oak Brook, IL 60523.

#### Distribution of Business Policy

Copies of PERC's Business Policy shall be distributed: (i) at least annually to all employees of PERC and its subsidiaries, (ii) at least annually to all employees of the Manager and its subsidiaries involved in the conduct of the business and operations of PERC and/or any of its subsidiaries and (iii) upon employment to new employees of PERC and its subsidiaries and new employees of the Manager involved in the conduct of the business and operations of PERC and/or its subsidiaries. At least annually, the Manager shall certify compliance with this distribution policy.