

Code of Business Conduct



1 NSI'S FUNDAMENTAL PRINCIPLES

1 Overview

The safe and economic operation of your Company requires that discipline and proper personal standards be maintained at all times. These standards are necessary to protect the health and safety of all employees, to maintain quality and uninterrupted productivity, to protect NSI's and your property, and to promote goodwill.

Many of NSI's policies are the same across all of its locations; these include NSI's policies on Equal Employment Opportunity, Harassment, Drug and Alcohol Use, Confidential Information, Computer and Information Technology, the Family Medical Leave Act ("FMLA"), Workplace Safety, and Educational Assistance. Certain other policies, work rules and procedures are specific to each location. These have been adopted to meet the needs of, and to be sensitive to the differing requirements of NSI's employees across the country.

2 Equal Employment Opportunity Policy

NSI is firmly committed to maintaining a working environment free from all forms of discrimination of any employee or applicant for employment. Discrimination violates both Company policy and Title VII of the Civil Rights Act, and state and local anti-discrimination laws. NSI is an Equal Opportunity Employer and does not discriminate on the basis of race, color, sex, age, religion, disability, veterans' status, marital status or any other factor prohibited by local, state or federal law. Our policy applies to all applicants for employment, to all our employees and to all activities, terms, conditions and privileges of employment. This policy also extends to recruiting, hiring, training and development, transfers, compensation, promotions, disciplinary actions and terminations in all job groups.

If you feel you have been subjected to discrimination, or have witnessed any discrimination, you should immediately contact the Human Resources manager or any other member of management. Any complaint of alleged discrimination will be treated with the utmost confidentiality and will be thoroughly investigated and reviewed. Should there be any violation of this Equal Opportunity Policy, please be assured that appropriate action will be taken to correct the matter.

Retaliation against any person who has complained about discrimination, filed a charge of discrimination, or who has otherwise participated in any investigation of discrimination will not be tolerated. Such activity is unlawful and will result in severe discipline, up to and including discharge.

3 Policy Against Harassment

NSI is firmly committed to maintaining a working environment free from all forms of harassment of any employee or applicant for employment. Therefore, it is our policy to prohibit all forms of harassment including, but not limited to, harassment based on: sex, race, color,

creed, religion, national origin, age, disability, or any other factor protected by law. These forms of harassment violate both Company policy and Title VII of the Civil Rights Act and state and local law. NSI neither permits nor condones harassing conduct that affects tangible job benefits, that interferes unreasonably with an individual's work performance, or that creates an intimidating, hostile, or offensive working environment. A hostile working environment may be created by acts such as verbal abuse, including the use of epithets, slurs, or derogatory terms based upon an individual's race, color, sex, national origin, religion, gender, age, disability, or any other factor protected by law.

Sexual harassment has been defined as any unwelcome sexual advance, request for sexual favors, or other verbal or physical conduct of a sexual nature when:

1. Submission to such conduct is an explicit or implicit condition of employment;
2. Submission to or rejection of such conduct is used as the basis for employment decisions; or
3. Such conduct has the purpose or effect of:
 - (a) Unreasonably interfering with an individual's work performance; or
 - (b) Creating an intimidating, hostile, or offensive work environment

Sexual harassment may include explicit sexual propositions, sexual innuendo, suggestive comments, sexually-based teasing or joking, the display of sexually obscene printed or visual material (including through e-mail or Internet use) and intentional physical contact such as pinching or brushing against another's body. Sexual harassment may also include harassment directed at a member of the same sex as the harasser.

The Company takes all allegations of harassment very seriously. Any employee who feels that he or she has experienced or witnessed harassment should first discuss the problem with his or her supervisor, who is then to report the alleged incident to management. If the employee is uncomfortable discussing the matter with his or her supervisor, the complaint involves the supervisor, or the employee is unsatisfied that the matter has been resolved to his or her satisfaction after talking with the supervisor, the employee should report the matter to any other member of local management and/or the Human Resources Manager.

The Company will promptly investigate all complaints of harassment, in as confidential a manner as is possible and will take corrective action when warranted. Any employee found to have violated the Company's policy against harassment will be subject to disciplinary action, up to and including termination of employment.

Complaints of harassment should be made promptly. The Company will investigate all complaints of harassment regardless of when received; however, if a complaint is not reported in a timely manner, the investigation may be hampered due to the passage of time.

Retaliation against any person who has complained about harassment, filed a charge of harassment, or who otherwise participated in an investigation of harassment will not be tolerated. Such activity is unlawful and will result in discipline, up to and including termination of employment.

4 Drug and Alcohol Policy

An employee who has drugs or alcohol in their system poses a serious threat to their own safety and the safety of others. Also, a person cannot do their job properly with drugs or alcohol in their system. Your personal protection and the quality of your work are very important to us. Equally important is the fact that the illicit use of drugs is unlawful.

It is the policy of NSI to ensure that drug and/or alcohol usage does not directly or indirectly adversely affect the quality of our products, the quality of a safe working environment, or the quality of relationships among the employees. For these reasons, NSI has instituted a comprehensive Drug and Alcohol Policy.

You will receive a copy of this Drug and Alcohol Policy. Please review it for a full explanation of NSI's policy on drugs and alcohol in the workplace and your rights and responsibilities under the Drug and Alcohol Policy.

To confirm your understanding of this policy and the importance that it has within NSI, you are required to sign a copy of the Drug and Alcohol Policy at the start of your employment and as requested thereafter.

5 Confidential Information

NSI has products and services that are in demand by its customers. Much of our ability to offer these goods and services and effectively compete in the market is dependent on those patents, designs, processes and the expertise which has been developed internally ("Confidential Information").

Information about our internal operation, processes and products is considered private and is therefore not to be discussed with or communicated to anyone outside the organization, except when required in the normal course of business and then only to the extent necessary. Only those employees who "need to know" and are properly authorized will be given access to secret or sensitive Company information and operating procedures.

Unauthorized employees are prohibited from attempting to obtain or observe this information. The Company considers it the responsibility of each employee to exercise proper care in

preparing documents or other materials containing trade secrets, in safeguarding them from unauthorized personnel and in distributing and storing them in a secure manner.

Any employee who, without proper authorization, is found to be in possession of materials, deemed by the Company to be private or sensitive, who is found to have communicated such confidential information to unauthorized personnel or sources, or who is found to be in files or offices other than their own without proper authorization or valid reason will be subject to disciplinary action up to and including termination of employment.

6 Computer and Information Technology Policy

NSI is committed to providing its employees with the computers and software needed to perform their work-related responsibilities in an efficient and effective manner. The right to use software is purchased under license agreements that identify how and where the software may be legally used. It is the policy of NSI to comply with these license agreements.

NSI does not permit illegal copying of software by employees. If software is needed to carry out work-related responsibilities, NSI will provide it. Employees are not permitted to bring software from home and load it onto NSI computers. Also, NSI-owned software cannot be taken home and loaded onto an employee's home computer.

The computers, software and employed peripheral equipment including the Internet, e-mail, voice mail, facsimile machines, telephones and cellular phones (the "Technology") provided by NSI are the sole property of NSI. Employees' use of this Technology may be monitored from time to time. Employees should have no expectation of privacy when using the Technology.

Although use of the Technology on personal time is permitted within reason, it is expected that employees use good judgment as to appropriate form and content of text, drawings, messages, etc. that may be transmitted. Use of this Technology for personal monetary gain is forbidden, as is the transfer of information, drawings, data, or other Confidential Information to competitors.

The use of the Technology for items such as sexual innuendo, racist comments, pornography, harassing messages or any other use that violates local, state or federal laws or NSI's policies will not be tolerated.

Violation of the Computer and Information Technology Policy will result in disciplinary action up to and including termination.

You will receive a copy of NSI's Computer and Information Technology Policy. To confirm your receipt and understanding of this policy and the importance that it has within NSI, you are required to sign a copy of the Computer and Information Technology Policy at the start of your employment and as requested thereafter.

7 Workplace Safety

A fundamental belief of NSI is that we will strive to provide a safe workplace for all of our employees. Our safety and loss control plans are developed with the input of all employees and outside safety and occupational health professionals.

It is also expected and required that all NSI employees strive to maintain a safe workplace, which includes ensuring that our equipment is free from recognized hazards. NSI will, insofar as possible, provide appropriate information, training, supervision and personal protective devices so that you can perform your job in a safe and proper manner.

NSI is committed to complying with all applicable safety and environmental regulations implemented by local, state and federal agencies. NSI's goal is to prevent all accidents and injuries. As such, we have instituted certain safety policies that govern your safe work practices, and which extend to the clothing you wear.

Your Supervisor will discuss these policies with you. Failure to comply with safety policies and safe work practices can be dangerous to you and your fellow employees and can lead to disciplinary action up to and including termination.

Most accidents can be avoided by using common sense and personal initiative. However, if you do incur an injury, even a minor one, you must report it to your Supervisor immediately. We also urge you to help up keep NSI safe; in this spirit, please provide your safety ideas to your Supervisor or to our Health and Safety Manager. At NSI, safety is an integral part of our manufacturing philosophy and should never be sacrificed for production.

8 Conflicts; Competition; Moonlighting

As a NSI employee, you are expected to devote your best efforts to the work you do for NSI and its business interests. Therefore, working concurrently for any person, association, business enterprise or Company in conflict with or competing with NSI is not permitted, and is cause for immediate discharge.

In addition, "moonlighting" that is, having another job while you are employed by NSI is not allowed if the other job in any way interferes with your being available to perform, and performing with your best efforts, your job at NSI.

9 Misrepresentation, Falsification & Omissions

All employees acknowledge that the Company relies upon the completeness and accuracy of all information conveyed by the employee throughout the application and hiring process and throughout the course of the employee's employment. Employees should understand that any misrepresentation, falsification or omission of such information, no matter when discovered, will result in immediate termination.

10 Gifts And Entertainment Policy

In order to enhance the Company's professional and ethical image and reduce the risk of conflicts of interest, employees shall not give or accept gifts of significant value, including meals or other forms of entertainment, unless they have received express prior approval from their Vice President-Operations or comparable Direct Manager ("Local Manager"). While the Company also discourages the giving of or acceptance of gifts (including meals and other forms of entertainment) of nominal value (i.e., less than \$50 value), such activity will not be deemed a violation of Company policy if it is a customary practice and does not violate the law or compromise any of the Company's ethical business practices.

If a vendor or customer of NSI sends an employee a gift, the employee must notify their Local Manager and may be required to turn over the gift to the Company. Should the Local Manager determine that, under the circumstances of the particular situation, it is inappropriate for the employee to accept the gift, the employee and the Local Manager will then agree upon a recognized charity to which the Company will donate the gift. Under no circumstances should an employee solicit gifts from a vendor or customer doing or seeking to do business with NSI.

Employees should also entertain and be entertained only at times and in circumstances authorized by NSI and never in a manner that creates an appearance of impropriety. If an employee has any question regarding this policy, he/she should contact their Local Manager or Director of Purchasing for clarification before accepting or providing a gift, meal, or any other form of entertainment.

CERTIFICATE OF RECEIPT

I have received a copy of the NSI Code of Business Conduct, and I understand that it is solely for the purpose of explaining the Company's current policies, benefits and rules and that it is not intended to be a contract or guarantee of employment or of any specific terms or conditions of employment or procedural rights. I also understand that these policies and other Company practices may be modified, changed or revoked at any time. I understand that no representative of the Company other than the Chief Executive Officer has any authority to enter into any agreement for any specified period of time or make any promises upon which I can rely, and that such agreement or promises must be in writing and properly signed to be valid. I have read and understood the Company's Equal Employment Opportunity, Anti-Harassment, Drug and Alcohol, and Computer and Information Technology policies.

Date:

Employee's Signature