ONYX

ENVIRONMENTAL SERVICES

September 20, 2005

Mr. Charles Goddard
Department of Environmental Protection
Northwest District Office
160 Governmental Center
Pensacola, FL 32501-5794

RE: Onyx Environmental Services, L.L.C.
342 Marpan Lane
Tallahassee, FL 32305
EPA ID# FL0000207449
Permit#: H037-82472-004

RECEIVED
SEP 26 2005
NORTHWEST FLORIDA
DEP

Dear Mr. Goddard:

This letter is being submitted as a follow up to my telephone notifications to Mr. Jim Byer on September 9, 2005 and September 13, 2005 regarding our discovery of containers of mercury containing materials in storage in excess of the 180 day storage limit and containers of material stored in excess of the permitted capacity of the above referenced facility. The telephone notification and this letter are being submitted in accordance with General Condition # 8 of the above referenced permit. Below is a description of the noncompliance and the activities which were completed to correct it.

On Thursday, September 1, 2005, Onyx corporate received information regarding possible compliance issues at our Tallahassee facility. The Company immediately organized a team of managers to review the allegations and to plan how to respond. A compliance specialist, the regional human resources manager and the head of our Electronics Recycling Division were dispatched to the facility to determine whether the alleged compliance issues were valid and to interview facility employees.

The initial investigation determined that there were some compliance issues relating to storage of wastes at the facility. In order to advise the Florida Department of Environmental Protection of our preliminary findings, I called and left a voice mail for Jim Byer on September 9, 2005.

From September 8 through 12, in a series of 14 hour work days, the team (supervised by the head of the Division and assisted by facility staff) prepared a complete inventory of wastes and completed the process of readying all wastes determined to be out of compliance for shipment to other locations within the Onyx family of locations. In addition, facility employees, including the facility manager, were interviewed to determine what had happened. On September 8, the

Onyx Environmental Services, LLC Electronics Recycling Division
1275 Mineral Springs Drive, Port Washington, WI 53074
Phone: 262 243 8900 ◦ Fax: 262 284 3775

VEOLIA Environment

facility manager resigned (as did two other employees shortly thereafter). On Monday morning, September 12, we shipped out four loads of wastes, with a fifth leaving on September 13, 2005. A total of 453 containers, as detailed below, were shipped on these two dates. The containers ranged in size from five-gallon pails to pallets, with the majority of containers being 55 gallon drums.

- 70 drums of partially processed and unprocessed phosphor powder, 101 drums and three pallets of mercury containing manufactured articles shipped to Onyx Environmental Services, Menomonee Falls, WI for storage and ultimate retort at Onyx Environmental Services, Port Washington, WI.
- 132 drums and two pallets of mercury containing manufactured articles and 66 drums of mercury contaminated debris (dental traps and piping, PPE and other associated materials) were shipped to Onyx Environmental Services, Morrow, GA for storage and ultimately for retort at Onyx Environmental Services, Port Washington, WI or Phoenix, AZ.
- 40 drums of crushed lamps and 41 drums of mercury containing manufactured articles shipped to Onyx Environmental Services, Phoenix AZ for retort processing.

We should note that, of the containers shipped, 17 drums were shipped from inside the facility that had not yet exceeded the 180 day storage limit. These drums were shipped off-site to ensure the facility had adequate space to continue to process fluorescent lamps.

All materials were found to be in intact, DOT authorized shipping containers in good condition and we discovered no evidence of a release from any of the containers.

To state the obvious, we are embarrassed about this situation. We have made it very clear to all of our employees, and especially to our managers, that compliance is our number one priority, that anything less than full compliance with all applicable permits and laws is not acceptable. (See the enclosed Onyx Environmental Services Statement of Ethics and Code of Ethics, in particular the section entitled "Observance of Laws and Regulations; Disciplinary Action" and the enclosed photo of the Onyx Environmental Policy which was posted on the bulletin board located near the employee entrance to the Tallahassee facility long before these events took place.) Our manager not only did not meet this standard, but also deliberately chose to keep us from knowing about his actions. His actions would have merited his immediate dismissal, had he not resigned before our investigation was concluded.

We are committed to operating all our facilities in full compliance with permits and regulations. We will continue to investigate this situation and will consider ways to prevent its recurrence. Additional information will be provided to the department as it becomes available.

In order to provide for the ongoing operation of the facility, Onyx will bring operations and management personnel from its other facilities to Tallahassee until qualified replacements can be hired.

If you have any questions, please call me at (262) 243-8908.

Thank you for considering these points.

Sincerely,

ONYX ENVIRONMENTAL SERVICES, L.L.C.

Phillip Ditter, CHMM
EH&S Manager

cc: Greig Siedor
John McShane
Greg Newton

Date: Issued Sept. 29, 1995
Revision Date: Oct. 30, 2003

ONYX

ENVIRONMENTAL COMPLIANCE

Onyx Special Services is dedicated to preserving and protecting the environment. Most of our activities are regulated by federal, state and local environmental laws. Our policy is clear: comply with the environmental laws and utilize best management practices to further enhance our environmental commitment.

All waste products and hazardous materials, must be accumulated, handled, transported, and disposed of in accordance with the law and Onyx guidelines. If you discover any unsafe storage of waste materials, a spill or other releases report it immediately to the Environmental Health & Safety manager of your facility.

Your Responsibilities

- Understand and follow all environmental guidelines applicable to your work activities.
- Ensure required environmental records and labels are complete, accurate and truthful.
- Properly handle, store or dispose of waste materials in full compliance with Onyx practices and applicable laws and regulations.
- Notify supervisory personnel of any violations of regulations, permits, or Onyx's environmental guidelines.
- Report spills and other releases of petroleum or hazardous substances, as required by law or by Onyx.
- Ensure that emissions are within permitted limits and that all permit conditions are complied with.
- Consult with Onyx's management located in your facility if you have any questions about environmental compliance.

Environmental Compliance is not negotiable.

Date Issued Sept. 24, 1993
Revision Date: Oct. 10, 2001

ONYX

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ONYX ENVIRONMENTAL SERVICES, L.L.C.

STATEMENT OF ETHICS

The operating principles of Onyx Environmental Services, L.L.C. ("OES") are reflected in our key management philosophies and core values. These are defined in our Statement of Ethics, as follows:

Excellence

We aspire to deliver excellence and quality in all that we do. We have a passion for excellence in every aspect of our work. We are committed to superior service and satisfaction for all our customers. We employ qualified people who are dependable and loyal and who have high standards and integrity. We follow the "Five Basic Principles:"

1. We focus on the work process, issue, or behavior, not on the person.
2. We maintain the self-confidence and self-esteem of others.
3. We maintain strong partnerships with our internal and external customers and suppliers.
4. We take the initiative to improve work processes and partnerships.
5. We lead by example.

Teamwork

Our golden rule. We are one team working together for the benefit of our customers and shareholders. We place what is best for OES, our clients and shareholders ahead of what is best for any business unit or individual. We trust our teammates to fulfill their responsibilities just as we are committed to fulfilling ours.

Honesty

We are truthful and forthright with one another, our customers and our shareholders. We are truthful and sincere in our communications with each other and with our customers and vendors. We have irreproachable sales and marketing practices. Our conduct demonstrates that we do what we say. We don't promise our customers what we can't deliver. We come to work prepared and ready to do our job with a "can do" attitude.

Integrity

The cornerstone of the behavior of employees and all others who act on behalf of OES. Our ethical standards are based on respect for the dignity of each individual, being good stewards of the environment, and commitment to honesty and fairness. Our obligation to operate within the law is just the beginning of our ethical commitment. We must meet our commitments and strive for fairness in all our dealings and relationships. We must avoid conflicts of interest and place the interests of our owners and customers before our personal interests. We will use efficiently the resources made available to us by our shareholders and provide them with timely and accurate information.

Client Service

Listen to our clients. Serving customers is the focal point of our business. Satisfying customers is the best way to ensure business success. We must work with customers to understand and anticipate their needs. We must provide products and services of the highest quality. Ever-improving performance is a competitive advantage.

Safe and Compliant Workplace

We care about employee well-being and strive to provide all employees with a healthy, safe and productive work environment. We also seek to perform our work in full compliance with all applicable laws. Workplace safety will not be compromised. We strive to prevent accidents. Injuries and occupational illnesses can, and must, be prevented. If an operation cannot be carried out safely, we will not do it. We think "Safety First." Our work environment must also be free from discrimination and harassment of any kind. We will not tolerate conduct that creates an intimidating or otherwise offensive environment. We make ourselves aware of all laws which govern our work; we perform our job in full compliance with the letter and spirit of such laws.

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ONYX ENVIRONMENTAL SERVICES, L.L.C.

CODE OF ETHICS

Purpose

Recognizing the ongoing importance of our collective reputation for ethical and legal conduct, the increasing complexity of different social and governmental standards applying to such conduct, and the growth, diversity and changes within our business, the Board of Managers of Onyx Environmental Services, L.L.C. ("OES") has adopted this Code of Ethics to reinforce and build upon the management philosophies and core values set forth in OES' Statement of Ethics.

This Code of Ethics, in conjunction with the Policies and Procedures adopted by OES, is designed to:

1. Sustain a culture where ethical and legal conduct is recognized, valued and exemplified by all of our employees.

2. Establish employee compliance standards and procedures that are reasonably capable of reducing the prospect of unethical or illegal conduct.

3. Designate the corporate representatives who have overall responsibility to oversee compliance with OES' Code of Ethics and Policies and Procedures.

4. Ensure that due care is taken to avoid delegating discretionary authority to individuals who we know, or should know through the exercise of due diligence, have a propensity to engage in unethical or illegal conduct.

5. Effectively communicate to all of our employees our standards of business and ethical conduct.

6. Establish procedures for detecting and reporting unethical or illegal conduct, which procedures are designed to encourage employees to report possible wrongdoing.

7. Create an enforcement mechanism to ensure that employees who violate our standards of business and ethical conduct, or who fail to enforce these standards, are appropriately disciplined.

8. Ensure that all reasonable steps are taken to respond appropriately to a violation of our standards and prevent further similar violations.

Applicability and Scope

This Code of Ethics applies to the managers, officers and employees (hereinafter collectively referred to as "employees") of Onyx Environmental Services, L.L.C.

All OES employees should require that all others representing OES, such as agents, consultants, independent contractors and distributors, agree to conduct their activities consistent with this Code of Ethics. A copy of this Code of Ethics should be given to those representatives at the time their work on behalf of OES begins.

This Code of Ethics is not an employment contract or a promise of continued employment. Rather, this Code of Ethics is a guideline, which is subject to change at any time, in whole or in part, by the Board of Managers of Onyx Environmental Services, L.L.C. in its sole discretion as it may deem necessary or appropriate in order to further ethical business practices.

This Code of Ethics is supplemented with the Policies and Procedures adopted by OES.

This edition of the Code of Ethics supersedes all prior codes of ethics as well as any and all other OES policies to the extent inconsistent with this Code of Ethics. No OES employee or officer is authorized to approve a deviation from this Code of Ethics without the express prior written approval of the CEO of OES.

Observance of Laws and Regulations; Disciplinary Action

It is the policy of OES to comply with all laws and regulations, domestic or foreign, applicable to its business. OES expects its employees to conduct their business dealings in accordance with the letter, spirit, and intent of all laws and regulations, and to refrain from any form of illegal, dishonest, or unethical conduct. We expect all of our employees to conduct business according to the highest ethical standards of conduct. Employees at any and all levels within OES will be subject to discipline, up to and including termination and possible referral of the matter to appropriate law enforcement agencies, for participating in any improper conduct, for failing to adhere to this Code of Ethics, for ignoring and not reporting violations of the Code of Ethics by others, or for refusing to cooperate with OES during an investigation into an alleged violation of the Code of Ethics or other improper conduct.

Employees may not utilize third parties to engage in transactions that would be unethical or illegal for OES to engage in directly.

Questions and Reporting Violations; Confidentiality; No Retaliation

If you have any questions regarding this Code of Ethics or the applicability of particular laws or regulations to your work on behalf of OES, or if you become aware of any potential or actual violations of this Code of Ethics or any potential or actual legal problems relating to your work, contact your Supervisor, who will consult as necessary with OES' management or follow the notification procedures set forth in relevant Policies and Procedures. If you are ever instructed by a Supervisor to engage in improper conduct or if you suspect improper conduct is occurring, you should immediately inform the next level of management not involved in the improper conduct. If your concerns are not satisfactorily addressed, or if you deem it prudent to notify Senior Management of the problem immediately, you may communicate directly with the Onyx Chief Legal Officer, either directly or through the OES Hotline (1-877-Onyx-555 or 1-877-669-9555). The OES Chief Legal Officer will arrange for an investigation of your concerns.

To the extent possible, the identity of an employee reporting suspected or actual improper conduct will be kept confidential. No retaliation against an employee making such a report will be tolerated. Anyone engaging in retaliatory conduct will be subject to immediate discipline, up to and including termination of employment.

When in doubt about the propriety of a particular action or infraction, discuss the matter with your Supervisor and, if necessary, OES' Chief Legal Officer. While you are encouraged to follow the chain-of-command in resolving questions and reporting violations, if you are uncomfortable doing so, you should not hesitate to contact OES' Chief Legal Officer.

Conflict of Interest

OES' business is dependent upon the public's continued trust and confidence. It is important to recognize that the *appearance* of a conflict of interest may be just as damaging to OES' reputation as a real conflict. The primary principle underlying this policy is that employees must never permit their personal interests to conflict, or appear to conflict, with the interests of OES or its customers. Employees should avoid any relationship with other people or businesses that might impair, or even appear to impair, the proper performance of their job responsibilities. You should avoid actions or business relationships that might tend to affect your independence of judgment with respect to dealings between any of OES' operations and any other business or individuals. You should not engage in a profit-making occupation outside of your regular assignment with OES if this outside employment:

- competes with OES or provides services and assistance to a competitor;
- interferes with your assigned duties with OES, such as requiring OES time or facilities to perform the duties relating to the outside employment (e.g., making or receiving phone calls or e-mail messages, handling correspondence, or receiving visits from customers);
- embarrasses, interferes with, or establishes a conflict of interest with OES in carrying out its corporate responsibilities; or
- diminishes your ability to give the necessary time and competence to your duties with OES.

OES expressly prohibits its employees from making any investment in any competing business organization, or any supplier, subcontractor, or client of OES, except where such investment consists of securities of a publicly owned corporation. Full-time employees are expected to devote their normal working time, attention, and energies to the performance of their duties with OES.

Employees shall not enter into leases or other business transactions with an OES business without the express prior written approval of both the CEO and CFO of OES. Similarly, employees should not directly or indirectly benefit personally from any purchase of goods or services made by OES.

Contact your Supervisor if you have questions regarding a possible conflict of interest or the appropriateness of outside employment.

Bribes, Kickbacks and Other Unlawful Payments

Bribes and kickbacks are immoral and criminal acts. Any employee found to have participated in a bribe or kickback is subject to immediate discipline, up to and including termination. If you engage in practices or use procedures that might conceal or facilitate bribery, kickbacks, or any other illegal or improper payments or receipts, or which might support an inference of wrongdoing, important relationships and OES' contractual arrangements are seriously jeopardized, and may subject OES and yourself to both civil and criminal legal proceedings.

Likewise, it is expected that employees will not involve themselves, directly or indirectly, in any payments or promises (e.g., promise of future employment) to federal, state, or local government officials to secure any business or favor, or to influence any official act. No payments may be made that (1) violate the applicable laws of the United States or a foreign jurisdiction where we do business or (2) are designed to circumvent the prohibitions of the Foreign Public Officials in International Business Transactions Act, or similar laws and regulations.

Employees should be certain that all invoices for which they are responsible accurately reflect the actual products or services purchased or sold and the true, usual and customary prices and terms of the transaction. Payments and financial transactions involving OES must be authorized, recorded and processed according to Generally Accepted Accounting Principles and established internal procedures. All receipts and disbursements must be documented and supported. Corporate funds may not be used for any unlawful or unethical purpose. No undisclosed or unrecorded corporate fund may be established for any purpose. Unless a different procedure is authorized in writing by OES' CFO, payments due OES must be made directly to OES and payments due others must be made directly to others.

If you require guidance in making or receiving payments, you should consult a Supervisor or the OES Controller for your work location.

International Activities

OES employees have an obligation to apply the same high standards of business and personal ethics in foreign locations that are practiced in the United States. Thus, even though governmental philosophies, customs, and standards of conduct may differ in foreign countries, honesty, integrity, and fairness must always serve as the foundation of our business dealings throughout the world.

In foreign countries where common trading or negotiating practices are based on less stringent standards of conduct than OES customarily follows, employees should continue to follow the more stringent code of conduct.

OES employees involved in international business must learn and follow the U.S. and foreign laws and regulations that govern international trade, including licensing, shipping documentation, reporting, and record retention requirements. You must assure that all transactions are screened in accordance with the Export Administration Regulations, the International Traffic in Arms Regulations, the foreign Assets Control Regulations, and any other U.S. or foreign import/export regulations pertinent to your business.

OES employees should not cooperate with any restrictive trade practices or boycotts prohibited or penalized under United States or foreign laws or regulations.

OES employees should carefully watch for "red flags" which might indicate extraordinary licensing requirements, illegal activities, or any other violations of this Code of Ethics or other OES Policies and Procedures. Such warning signs include:

- an unknown customer without convincing references;
- an unusual transaction, quantity, or application for a particular customer, consignee, end use, or location;
- evasive, reluctant, incomplete, or otherwise unsatisfactory responses by a client to questions about end use, end user, delivery dates, or delivery locations;
- unusually favorable payment terms;
- a lack of concern for normal training and warranty service;
- a freight forwarder listed as ultimate consignee;
- abnormal packing, marking, or routing of goods; and
- unusual security or safety measures.

The U.S. Foreign Corrupt Practices Act and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions prohibit companies from using unethical practices in the conduct of foreign business. In particular, employees and agents of OES may not offer or give bribes to any foreign officials, such as officers or employees of government departments and agencies, or to foreign political parties or their officials or candidates. This is the rule even if the foreign country does not prohibit the offering or giving of bribes. OES must maintain accurate records of its transactions and transfers of assets and must not make misleading financial statements to auditors or in its filings with the U.S. Securities and Exchange Commission.

Gifts, Gratuities and Entertainment

It is OES' policy that all employees should decline any gifts from vendors and suppliers, no matter how small, in order to avoid the appearance of impropriety. To implement this policy, each facility will be responsible, at least annually, for communicating this policy to vendors and suppliers who serve the facility.

OES recognizes that there may be situations where an unsolicited gift cannot be returned without causing embarrassment to the giver and, therefore, may be kept by the OES employee who received it without violating OES policy. These situations are:

- the unsolicited gift is of nominal value (not in excess of $50) and is given at Christmas, other holidays or special occasions. The giver must be added to the list of vendors/suppliers receiving future notice of OES' policy towards gifts for OES employees;

- the unsolicited gift consists of a reasonable lunch, dinner or other business meeting expense, so long as (a) the expense is properly charged as a business expense and (b) a return of the expense on an approximately comparable basis is made in future meetings by OES to the supplier or vendor.

OES employees may provide or pay for reasonable and customary meal, refreshment, and entertainment expenses of clients and suppliers unless prohibited by law, rule, regulation or the client's or supplier's policy. Travel and/or lodging expenses of clients and/or suppliers may be provided only with prior supervisory approval.

In addition, OES employees may receive awards given by charitable, educational, civil or religious organizations for meritorious contributions or service.

OES employees should be aware that the Federal Acquisition Regulations ("FARs") set forth restrictions and/or prohibitions applying to the use of business courtesies with federal employees. All OES employees must adhere to FAR requirements regarding gifts and gratuities when dealing with U.S. government officials. In addition to the FARs, state, local and foreign governments may have similar or related restrictions pertaining to business courtesies. OES employees working within the state, local, or foreign jurisdiction in which these restrictions apply are required to know and respect all such rules and regulations.

If an employee is at any time uncertain as to the applicable rules and regulations governing these matters, questions regarding the propriety or legality of providing or accepting any meal, refreshment, transportation, entertainment, gift, or anything of monetary value should be referred to your Supervisor or OES' Chief Legal Officer.

Discrimination, Harassment and Diversity

OES is committed to maintaining a work environment that is free of all forms of illegal discrimination, including harassment, and is accepting of diversity. OES believes that all employees should be treated, and should treat each other, with dignity and respect. OES is committed to enforcing the mandates of applicable local, state and federal laws that (1) forbid unlawful employment discrimination based on an individual's age, ancestry, citizenship, color, creed, disability, marital status, national origin, nationality, parental or familial status, pregnancy, race, religion, sex, sexual orientation, veteran status, or other protected group status, (2) prohibit unlawful harassment, including sexual harassment and (3) require affirmative action.

OES has adopted a policy regarding both the prevention of sexual harassment and how to deal with allegations of sexual harassment; that policy is incorporated by reference. All OES employees are entitled to appropriate training regarding that policy and are expected to know and abide by that policy.

Worker Health and Safety

OES strives to provide its employees with work conditions that protect their health and safety. OES considers the maintenance of safe and healthful working conditions and the prevention of accidents to be integral to the operation and administration of its business. Each employee has a responsibility to prevent accidents by maintaining a safe and healthful work environment, by following safe work procedures and practices, by complying with OES' Alcohol and Drug-Free Workplace and other health and safety policies, and by using all prescribed personal protective equipment. Accident prevention and effective production go hand-in-hand.

Violent behavior, threats of violence, and the carrying of weapons on OES premises or while performing your duties for OES is prohibited and will not be tolerated.

Environmental Protection

The protection and improvement of the environment are the heart of what we do as a company. Our products and services are designed to meet these goals. Because of this – and to protect the reputation of each of our companies – we must ourselves be vigilant that our own environmental compliance is in order. Each facility must identify and control the environmental hazards related to its operations, fully comply with the mandates of applicable environmental laws and regulations, adequately train its employees so that each may contribute to the compliance effort, conserve resources and energy, and minimize the use and generation of hazardous materials and wastes.

OES has adopted a series of environmental policies designed to assure OES maintains full compliance with all applicable environmental rules, regulations and other requirements. All OES employees are entitled to be trained, to the extent necessary for the performance of their job responsibilities, in such policies, rules and regulations and are expected to know and abide by these policies as they relate to their jobs.

Accuracy of Records and Reports

The maintenance of accurate and reliable records is essential to efficient management. All employees are charged with properly recording and reporting all information with respect to their employment and areas of responsibility. Every employee records information of some kind and submits it to OES. For example, a field analyst submits a time card; an engineer fills out environmental reports; a marketing representative reports on services rendered to a customer; and a financial analyst records revenues and costs. Our owners, creditors, and other decision makers rely on our records and have a right to expect information that is timely and accurate.

All employees are expected to perform their duties consistent with OES policies and in furtherance of our obligation to maintain accurate and reliable records. Employees are entitled to reimbursement for reasonable business-related expenses, but only if those expenses are actually incurred and consistent with OES' travel and expense policies and procedures. To submit an expense reimbursement for meals not eaten, miles not driven, airline tickets not used, or for any other expense not incurred is dishonest and will not be tolerated. Arranging business trips solely to facilitate personal travel or vacations at OES expense is prohibited.

All timesheets must be completed in an accurate and timely manner. No cost may be charged to a customer if it is not allowed by regulation or contract provision. An employee's signature on a timesheet is verification that the information contained on the timesheet is a true representation of the hours worked and the account for which those hours were incurred.

In dealing with clients, potential clients, suppliers, and subcontractors, OES employees must be accurate and complete in all representations, giving no false or misleading statements. Information may not be organized in a way that is intended to mislead or misinform those who receive it. All clients deserve current, accurate and complete costs and pricing data. With respect to government clients and reports filed with governmental agencies (such as state and federal environmental agencies), the submission of a proposal, quotation, status report, financial report or other document that is false, incomplete or misleading can result in civil and/or criminal liability for OES, the involved employee and the Supervisor who condones such practices.

Proper Use of Corporate Assets

Employees may not appropriate or divert OES property, equipment or employee services for their own personal benefit. The misuse or unauthorized removal from OES facilities of OES property is prohibited.

The unauthorized removal of material, equipment or supplies that belong to OES is theft and will be treated as such. This applies equally to property such as furnishings, equipment and supplies, as well as to property created, obtained or copied by OES for its exclusive use – such as client lists, files, reference materials and reports, computer software, data processing systems and databases.

Neither originals nor copies may be removed from OES' premises or used for purposes other than OES business without OES' authorization. The integrity of the computer programs and data that comprise the information assets of OES must not be compromised. Care must be exercised to protect against intentional or unintentional corruption or disclosure outside of OES.

Property and information entrusted to us by our clients must similarly be protected against misuse or loss. Likewise, when we acquire property that is subject to limitations on its use, such as license restrictions, we must comply with those limitations. For example, it is improper to copy a trade newsletter or journal cover-to-cover and to make or install unlicensed copies of computer software.

Unfair Competition Laws

The purpose of unfair competition laws, including antitrust laws, is to promote the free enterprise system by eliminating artificial restraints on competition. These laws are enforced vigorously and violations of these laws can subject a violator (whether a business or an individual) to criminal sanctions, substantial fines and/or imprisonment.

In all contacts with competitors, you must avoid discussing pricing policy, terms and conditions, costs, inventories, marketing and product plans, marketing surveys and studies, production capabilities and any other proprietary or confidential information. Collaboration or discussion of these subjects with competitors can be illegal. If a competitor raises any of these subjects, even lightly or with apparent innocence, employees should object, stop the conversation immediately and tell the competitor firmly that under no circumstance can you discuss these matters. If the competitor continues to discuss or propose anti-competitive behavior, you should immediately inform your Supervisor or another OES manager. Similarly, you must beware of secret price deals or rebates.

OES employees should disassociate themselves from participation in any possibly illegal activity with competitors and confine communication to what is clearly legal and proper. OES employees should immediately report any incident associated with a prohibited subject to Senior Management.

Disparagement of Competitors

It is OES' policy to emphasize the quality of its products and services and to abstain from making disparaging comments or casting doubt on competitors or their products and services. If statements, oral or written, are made concerning a competitor or its products or services, they must be fair, factual, and complete. To do otherwise is unethical and can subject the employee and OES to legal sanctions.

OES employees should comply with the following guidelines when communicating about a competitor or its products and services:

- do not make comments about a competitor's character and business practices;
- sell on the basis of OES' capabilities, know-how and benefits to the customer, not on the basis of a competitor's deficiencies;
- avoid references to competitor's troubles or weak points (e.g., do not mention financial difficulties, pending lawsuits or governmental investigations involving the competitor); and
- do not make any statement about the specifications, quality, utility or value of a competitor's product unless the statement is based on the competitor's current published information or other factual data. Even statements based on factual data must be complete.

In short, you should stress the advantages of OES products and services and be sure that all comparisons are fair and accurate.

Gathering Intelligence on Competitors

In the normal course of business, it is not unusual to acquire information about many other organizations, including OES' competitors. Doing so is a normal business activity and is not unethical in itself. In fact, OES quite properly gathers this kind of information for such purposes as analyzing markets, extending credit and evaluating suppliers. OES also collects information on competitors from a variety of legitimate sources to evaluate the relative merits of our own products, services and marketing methods. This activity is proper and necessary in a competitive system.

However, there are limits to the ways that information should be acquired and used, especially information about competitors. No OES employee should employ improper means to acquire a competitor's trade secrets or other confidential information.

Such flagrant practices as industrial espionage, burglary, wiretapping and stealing are obviously wrong. But so is hiring a competitor's employees solely to get confidential information. Improper solicitation of confidential data from a competitor's employees, from OES' customers or from others is also wrong. OES will not tolerate any form of questionable intelligence gathering.

Similarly, during procurement activities of one of our clients, we must not solicit or obtain, directly or indirectly, from any officer or employee of a client, any proprietary information submitted to the client by one of our competitors or any confidential source selection information developed by the client for purposes of evaluating competing bids or proposals.

Protecting Proprietary, Confidential and Classified Information

Most of the information that you develop as part of your job is proprietary – that is, it is OES property, a valuable business asset. It must be protected because unauthorized disclosure of it could destroy its value to OES and give unfair advantage to others. Unintentional disclosure of proprietary information can be just as harmful as intentional disclosure.

OES employees who are in possession of proprietary, confidential, or business-sensitive information must take appropriate steps to assure that it is strictly safeguarded. Such information could include strategic business plans, operating results, marketing strategies, customer lists, personnel records, blueprints, upcoming acquisitions and divestitures, new investments, and operating costs, processes, and methods.

Only information which has been released to the public, or has received special clearance from Senior Management, may be released to clients, potential clients, colleagues, the media or private individuals.

OES may in the future become involved in joint-venture assignments with companies that otherwise are competitors. Extreme caution must be exercised in divulging information to joint-venture partners about the Company's business, technical, financial or personnel matters not directly related to performance of the joint-venture assignment.

Special laws and regulations governing classified and proprietary information apply to governmental agencies and organizations. OES employees who have valid security clearances to access classified information must handle such information in strict accordance with pertinent federal procedures.

OES employees who have proprietary, confidential and/or classified information in computers or on computer disks must take appropriate security measures against unauthorized access to such information, including keeping disks under lock and key and employing passwords (changed periodically) to guard against persons gaining access to computer files.

Insider Information

Although OES is not a publicly traded stock, its parent company – Veolia Environnement is. It is unethical and possibly illegal for you to use any non-public or "insider" information about OES or its parent company for your own personal financial benefit. For example, if you become aware of OES' plans to acquire a publicly-traded company, you must not buy or sell the stock of that company until the announcement of the prospective purchase has been made and the market has had an opportunity to absorb the information. Or, if you learn that Veolia Environnement is about to make some major public statement that could influence stock price, you should refrain from trading in the stock until after the statement is made and the market has had time to react. If you have any questions about whether you are an "insider," please discuss the matter with Senior Management before taking any action.

Use of Agents, Representatives, Consultants and Outside Lawyers

There are many legitimate and appropriate reasons to retain and utilize consultants in connection with the process of pursuing new business opportunities or other business activities. However, consultants are never to be used to engage in activities that violate OES' standards of business conduct, including this Code of Ethics. Specifically, and without limitation, it is in violation of OES' policy to use a consultant to:

- pay or receive bribes or kickbacks;
- make political campaign contributions that OES is prohibited from making itself;
- engage in industrial espionage or obtain the confidential and proprietary data of a third party;
- obtain inside information that would give OES an unfair competitive advantage in a government procurement;
- circumvent or evade applicable laws and regulations; or
- engage in a relationship with another agent, vendor, or business to fix prices, engage in reciprocal dealings, or to otherwise engage in collusion to violate, circumvent, or evade provisions of antitrust laws.

OES will employ only reputable, qualified individuals or firms as agents, representatives, and consultants. OES will not hire or otherwise employ a consultant, agent, or other person (a) who is currently an employee or official of any United States or foreign government (federal, state, or local) or agency thereof or (b) who was previously such an employee or official, and is barred by law or regulation from being hired or retained by OES.

Commission or fee arrangements shall be made only under written agreement and only with firms or persons serving as bona fide commercial sales representatives, agents, or consultants. All such arrangements must comply with OES policy and applicable laws and regulations. Such arrangements should make the consultant (or other outside vendor) aware of OES' commitment to ethical and legal conduct and such agreements should require that such firms and persons will conduct their activities consistent with OES' Code of Ethics. All vendors must agree to comply with all applicable United States and foreign laws (federal, state and local), including laws governing the use of agents abroad, such as the Foreign Corrupt Practices Act.

Any commission or fee for services or for assistance in securing orders must be reasonable and consistent with sound ethical principles, accepted and customary practices in the industry, the products involved, and the services to be rendered. All arrangements providing with a consultant a share of the contract price for a contract awarded to OES must be approved in advance by the CEO of OES and all agreements documenting such arrangement must be reviewed and approved in advance by OES' Chief Legal Officer.

All vendor and consultant arrangements involving contingent or success fees, lobbying, or marketing, sales or business/project development must be approved by a member of Senior Management.

Relations with Clients

Our companies have a long-standing reputation for delivering services that meet or exceed established professional standards. All work performed by our employees will continue to meet professional standards of performance, accountability and dependability. In addition, the provision of such services will be consistent with and be responsive to the needs of our clients for cost efficiency and scheduling, and will meet the terms of our contracts.

Relations with Suppliers

Suppliers of materials and services to OES are a very important resource and should be treated with courtesy and fairness at all times. OES employees dealing with suppliers must use common sense, good judgment and the highest standards of integrity. OES employees must treat all suppliers fairly. In deciding among competing suppliers, you should weigh all the facts impartially. The selection of subcontractors and suppliers must be on the basis of objective criteria, such as quality, technical excellence, cost/price, schedule/delivery, services and maintenance of adequate sources of supply.

If you are in a position to spend OES money, or to influence spending, you are a tempting target for vendors. People who sell to our Company may try to influence you to give preference to their materials or services. You must always base your buying decisions on competitive price, quality and delivery. OES expects you to have friendly relations with suppliers. At the same time, you need to be open, honest, businesslike and completely ethical. If you find yourself with a supplier/vendor who seeks to influence you improperly (e.g., by offering gifts or kickbacks in return for business), you should immediately communicate the facts to your Supervisor or Senior Management, as appropriate.

Relations with Government Representatives and Agencies

From time to time, government agencies or representatives may seek substantive information from you concerning OES. It is OES' policy to cooperate fully with such inquiries, as well as with all authorized regulatory inspections, investigations and examinations. However, in order to ensure that responses to information requests are handled accurately and consistently, or unless your job causes you to have regular contact with these agencies or representatives, you should state that you need to refer the caller to local management or, if need be, Senior Management, and assist the caller in reaching such person or persons in a timely way.

Whenever your job brings you into contact with federal, state or local government representatives, be truthful and accurate in all statements you make or reports you submit.

Relations with Media

While we strive for openness and honesty, we must also protect the privacy of our employees and the confidentiality of our business relationships and strategies. Any inappropriate comments could undermine our market advantage. All information for the media should come only from authorized representatives of OES. You should politely decline to respond to media inquiries and refer the questions to local management or, if need be, Senior Management, and assist the media representative in reaching such persons in a timely way.

Political Contributions and Public/Political Service

Employees are encouraged to be part of the political process, including making contributions to candidates and causes they consider important. However, employees' personal contributions to candidates and causes must never be made in the name of OES. Use of OES funds for local or state candidates where not prohibited or restricted by law requires a written request and the prior written approval of the CEO and the CFO, and will be paid only by OES check. No employee acting on

behalf of OES shall make any direct or indirect unlawful contributions to any political candidate or political party. No political contribution will be paid via employee expense report or otherwise reimbursed to an employee.

Employees are likewise encouraged to be involved in the political process, lending their support to candidates and causes of their choosing. However, employees are expressly prohibited from stating, suggesting or implying that OES has endorsed, supported, or encouraged a candidate or cause.

Although OES encourages its employees to become involved in responsible political action and community service, caution must be exercised to avoid situations which might compromise OES, its clients, or its professional associations. In order to avoid the possibility of such misrepresentations, OES employees must adhere to the following guidelines:

- Participation in political organizations or public service organizations must be on a personal basis. Employees must be mindful to establish that they are not representing OES, and that the opinions they express are their own, not necessarily those of OES.

- Employees who are asked to speak before public groups are encouraged to do so for information purposes. However, they may not make such appearances as representatives of OES, or speak on behalf of OES, without the prior written approval of Senior Management.

Regulatory Policies

From time to time, OES may select to influence the development of legislation or regulation pertaining to matters that are of concern to the business community in general or OES in particular (e.g., environmental, tax, international trade, and OSHA laws or regulations). Such activities may take the form of communications directly with legislators, governmental agencies, the executive branch, and the general public, or indirectly through trade or industry organizations. OES has corporate staff which will perform such activities (or hire persons to carry them out on OES' behalf); any situation which requires OES to seek to influence legislation or regulations should be communicated through local management to OES' Chief Legal Officer. In any case, all such activities must comply with all applicable federal, state and local laws governing activities, including the U.S. Lobbying Disclosure Act.