

STRATEGIC MATERIALS

Dear Fellow Employee:

Strategic Materials is committed to the highest principles of business behavior. Our success is built on your integrity, honesty, hard work and dedication. Our employees and these fundamental principles are the future of our great organization

As we continue to grow and prosper we will be faced with increasingly complex business and legal issues. For this reason, we have elected to operate being guided by standards that are rooted in our principles of integrity as set forth in the Strategic Materials Code of Conduct.

Please review the Code of Conduct carefully. Our Code covers a number of topics and can be summarized in one simple sentence: Do the right thing.

If you have any questions or comments, please feel free to contact me.

Respectfully,

I. T. "Tex" Corley

www.reportlineweb.com/SM