

INTERGULF

CORPORATION

COMPANY-WIDE POLICIES AND PROCEDURES

1. It is the intent and resolve of Intergulf Corporation (the Company) to comply with the requirements and spirit of the law in implementation of all facets of equal opportunity and affirmative action. In the recruitment, selection, training, utilization, promotion, termination, or any other personnel action, there will be no discrimination on the basis of race, creed, color, religious belief, sex, age, national origin, ancestry, physical or mental handicap, or veteran status. The company strives to fully comply with all government requirements for setting up and carrying through Affirmative Action policies related to the classes mentioned above. It is the responsibility of all managers and supervisors to see that the company policy of equal opportunity is communicated throughout the organization.
2. The company provides equal employment to all applicants on the basis of demonstrated ability, experience, and training. As positions become available within the company, prior to outside recruitment, the hiring manager shall determine the availability of qualified candidates within Intergulf. Recruitment may be conducted through schools, employment agencies, and company advertising, including word of mouth. The company bulletin board will display all current openings.
3. Medical evaluations may be required prior to the time of employment to ensure that a prospective employee is capable of performing his or her job-related tasks. Such an evaluation will be conducted to ensure the applicant would not endanger his or her health or safety or the health or safety of others performing assigned tasks. The medical evaluation will be at company expense by a physician or clinic chosen by the company. The prospective employee will be required to sign a written release of this information to the company. The company will treat as confidential the information contained in a report of medical evaluation.
4. Intergulf requires that prospective employees be tested for substance abuse. Intergulf recognizes that substances such as drugs and alcohol are used by individuals, sometimes to

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an extent that their abilities and senses are impaired. Our position regarding substance abuse is the same whether alcohol, marijuana, illegal drugs, prescription drugs, or controlled substances are involved.

This policy is implemented because Intergulf believes that the impairment of an employee due to his or her use of substances is likely to result in the risk of injury/damages to other employees, customers, or third parties.

“Impairment” or “being impaired” means that an employee’s normal physical or mental abilities, or faculties, while at work have been detrimentally affected by the use of substances.

Any employee who begins work while impaired or who becomes impaired while at work is guilty of a major violation of company rules and is subject to severe disciplinary action. Severe disciplinary action can include suspension or dismissal. Likewise, the use, possession, transfer, or sale of any substance on company premises or in any company parking lot, storage area, or job site is prohibited; and violations are subject to severe disciplinary action.

Due to the nature of our business and the types of products we handle employees must agree to periodically submit to random substance evaluations (drug tests). When an employee is involved in the use, possession, transfer, or sale of a substance in violation of company policy, Intergulf Corporation will notify all appropriate authorities.

Employees who are taking prescription drugs are required to submit a copy of the doctor’s prescription to their supervisor. This is for the protection of the employee and for safety purposes in case of an adverse reaction to a drug while at work.

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5. A probationary period for all newly hired employees is 90 days from initial date of employment. At the end of this probationary period an employee's performance will be reviewed with his or her immediate supervisor and should his or her performance not be satisfactory he or she will not be hired as a full time employee of Intergulf. While in this probationary period employees do not qualify for regular company benefits.
6. Payroll is prepared bi-weekly. Should payroll fall on a weekend or holiday, payroll shall be prepared on the first following work day.
7. The company does not make advances on payroll checks. If a cash advance is granted to any employee, the entire amount shall be deducted from the employee's next payroll check following the date of the advance. The amount of cash advances granted shall be at the sole discretion of management.
8. An employee's anniversary date is defined as his or her first day on the job as a full time employee of the Company. Employees who are laid off due to a reduction in the required work force will maintain their original anniversary date for seniority purposes if they are re-employed by the Company within one year after date of lay off.
9. Review of wages for performance and merit increases is set on an annual basis. Should an employee remain in the same job classification for an entire year they will only be eligible for a performance raise once a year. All employees may be graded quarterly on their performance. All employees will be given copies of their performance appraisals and they will be given the opportunity to make comments on these appraisals. These quarterly reviews will be permanently placed in each employee's personnel file.

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10. Intergulf reserves the right to a temporary “lay-off” of employees at any time due to a reduction in anticipated work.
11. Misconduct, as defined below, shall be considered a serious violation of company policy and will subject the offender to severe disciplinary action including dismissal. All of the below are considered as misconduct:
- A. Excessive tardiness
 - B. Unsatisfactory job performance
 - C. Defacing company property
 - D. Excessive absenteeism
 - E. Failure to observe working hours such as starting time, quitting time, and lunch time
 - F. Performing unauthorized personal work on company time
 - G. Failure to notify the supervisor of intended absence either before or within one hour after the start of a shift
 - H. Unauthorized use of the company telephone, computers, beepers, or other equipment for personal business
 - I. Fighting on company premises
 - J. Repeated occurrences of related or unrelated violations
 - K. Departing company premises during working hours for personal reasons without the permission of the supervisor
 - L. Bringing firearms or weapons onto the company premises
 - M. Stealing, destroying, abusing or damaging company property, tools, or equipment, or the property of another employee or visitor
 - N. Disclosure of confidential company information or trade secrets to unauthorized persons
 - O. Willfully disregarding company policies or procedures

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- P. Willfully falsifying any company records
 - Q. Failure to report to work without excuse or approval of management for two (2) consecutive days
 - R. Using company equipment, including computers, for accessing, transferring, or storing pornographic materials.
 - S. Theft or destruction of company property.
12. Misconduct shall also consist of any abusive, offensive, or uncooperative actions on the part of an employee towards any other employee. Any employee who cannot interact and treat with mutual respect his fellow employees has no place at Intergulf.
13. The Company will not allow any form of sexual harassment within the work environment. Because sexual harassment interferes with work performance; creates an intimidating, hostile, or offensive work environment; or influences or tends to affect the career, salary, working condition, responsibilities, duties, or other aspects of career development of an employee or prospective employee; or creates an explicit or implicit term or condition of an individual's employment, IT WILL NOT BE TOLERATED! Any employee engaging in sexual harassment will be subject to immediate dismissal.
14. Intergulf makes available medical insurance coverage for all full time employees. This medical insurance coverage is subject to employee being able to pass any required medical examinations required by the insurance underwriter.
15. Intergulf's paid vacation leave as follows:
- During the first year of employment an employee earns 3.33 hours of vacation at the completion of each month.
 - Two (2) weeks after the completion of one (1) year as a full-time employee.
 - Three (3) weeks after the completion of five (5) years as a full time employee

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- Four (4) weeks after the completion of ten (10) years as a full time employee

Vacation benefits are based on an employee's next anniversary date following his or her employment as a full time employee.

Vacations cannot be scheduled to coincide with holidays unless approved by your supervisor.

16. Non-paid sick leave equivalent to five (5) days per year is granted to all full time employees. No carryover from year to year will apply.

17. As a joint protection to the employee and the company, employees who have been absent from work because of serious illness or injury are required to obtain a doctor's release specifically stating that the employee is capable of performing his or her normal duties or assignments. A serious injury or illness is defined as one that results in the employee being absent from work for more than one (1) week, or an injury or illness which may limit the employee's future performance of regular duties or assignments.

If the cause of the employee's illness or injury was job-related the employee's supervisor will make every reasonable effort to assign the returning employee to assignments consistent with the instructions of the employee's doctor until the employee is fully recovered. A doctor's written release is required before recovery can be assumed.

18. The company will pay for time off in the event of death of the following immediate family members:

Spouse	Parent	Child/Step Child
Brother	Grandparent	
Sister	Grandchild	

The maximum paid leave in this instance is three (3) days.

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19. Intergulf will grant employees off for mandatory jury duty or court appearances as a witness when the employee must serve or is required to appear as a result of a court order or subpoena. A copy of the court order or subpoena must be supplied to the employee's supervisor/ manager when requesting time off. The employee is entitled to full pay for each day of jury duty or service as a witness up to a maximum of (10) days per year.

20. No employee shall accept any gratuities, gifts, entertainment, meals, etc. from any vendor doing business with Intergulf.

21. No employee of Intergulf shall maintain an outside business or financial interest, or engage in any outside business or financial activity, which conflicts with the interest of Intergulf , or which interferes with his or her ability to fully perform job responsibilities. Nor may any employee benefit, directly or indirectly, from a third party who furnishes products, materials, or services to Intergulf. Violation of this policy will result in immediate dismissal.

22. Due to the physical nature of most of the work performed at Intergulf we require a Functional Strength Evaluation be performed during the pre-employment physical and a re-evaluation take place every two years for all employees that work in one of the following areas within our company.
 - Transportation Dept. (Anyone that operates a company vehicle)
 - Mechanic Shop Dept.
 - Operations (Includes all operators, lab tech and tankerman)
 - Safety and Maintenance Employees

23. All expenditures made by employees for which employees expect reimbursement by the company must receive prior approval of the employee's respective supervisor and any expenditures made without approval will not be reimbursed.

24. Intergulf is not responsible for personal vehicles and/or personal possessions left on company property or company vessels. It is understood and agreed by all employees that the company will not pay for the loss of personal property left on company property.

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25. The office personnel shall not be asked to handle personal calls, unless an emergency exists.
26. To preserve the ability to meet company needs under changing conditions, the company may modify, augment, delete or revoke any and all policies, procedures, practices, and statements contained in this manual at any time with notice to employees. Such changes shall be effective immediately upon approval by management unless otherwise stated.

The policies and procedures in this manual are not intended to be contractual commitments by Intergulf. No policy is intended as a guarantee of continuity of benefits or rights. No permanent employment or employment of any term is intended or can be implied by statements in this manual.

27. All employees are asked to sign the following statements attached to this document:
- (1) Confidentiality Agreement and Covenant Not To Compete
 - (2) Receipt, Understanding, and Acceptance of Intergulf's Policies and Procedures; and

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CONFIDENTIALITY AGREEMENT AND COVENANT NOT TO COMPETE

This CONFIDENTIALITY AGREEMENT AND COVENANT NOT TO COMPETE (the “Agreement”) is executed this _____ day of _____, 20____, by and between _____ (“Employee”) and INTERGULF CORPORATION, a Texas corporation (the “Company”).

WHEREAS, Employee desires to be employed by the Company, and the Company desires to employ Employee, provided that a condition to such employment shall be Employee’s execution of this Agreement;

WHEREAS, in order to satisfy such condition, Employee desires to execute this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Employee and the Company hereby agree as follows:

1. Protection of Company’s Confidential Information.
 - (a) Employee acknowledges that he has been provided and/or will be provided after the date of this Agreement, due to his employment by the Company, certain Confidential Information, as herein defined. For purposes hereof, Confidential Information shall consist of information relating to the Company and its business that Company considers to be confidential and/or a trade secret, including but not limited to the following:
 - (1) Technical information such as trade secrets, patents, designs, design analysis, mathematical models, predictions, intellectual property, inventions and discoveries, know-how, computer software and programs, and database technologies; and
 - (2) Business information, such as client goodwill, products and product plans, services and service plans, operational procedures, processes, designs, diagrams and drawings, formulas, pricing strategies, profit margins, customer and prospective customer lists and preferences, vendor and prospective vendor lists, business plans, marketing strategies and materials, tailored sales plans, sales proposals and techniques, marketing or business plans, fee schedules, unpublished financial information, and processes and compilations of information; and

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- (3) Personnel information such as salaries, personnel lists, personnel training techniques and materials.

The Company may, but shall not be obligated to, designate any information that it deems to be Confidential Information as such at the time such information is disclosed to Employee. The failure to designate particular information as Confidential Information shall not preclude any later claim by the Company that such information is Confidential Information. For avoidance of doubt, Employee shall assume that all information provided by the Company to Employee relating to its business is Confidential Information unless Company informs Employee in writing to the contrary.

- (b) Employee further acknowledges that the Confidential Information received from the Company is substantially different than any received by Employee from any source prior to his employment by the Company, and that any disclosure to, or use of such Confidential Information by, a competitor of the Company will give such competitor a business advantage against the Company.
 - (c) Consequently, Employee agrees that, in exchange for his receipt of Confidential Information from the Company, Employee will not, without Company's consent, use any such information except in furtherance of Employee's duties as an employee of the Company or disclose any such information to any party whatsoever. This paragraph applies both during and after Employee's employment with Company, and Employee agrees that he is forever bound by this paragraph.
 - (d) Further, upon termination of Employee's employment by the Company, Employee shall promptly return any and all documents containing any of the Confidential Information which are in the possession of Employee. Such documents to be returned shall include documents prepared by Employee to the extent they contain any of the Confidential Information.
2. Covenant Not to Compete. Employee understands and agrees that the Company, in order to protect its Confidential Information, requires that Employee agree to the terms of this Covenant Not to Compete (the "Covenant"). This Covenant is ancillary to Section 1, above, and is designed to enforce the terms of Section 1 and to protect the Company's investment in and the value of its information. Consequently, the Employee hereby agrees as follows:
- (a) During the term of Employee's employment with the Company and for a period of three (3) years following the termination of Employee's employment with the Company for any reason, Employee shall not:

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- (1) Directly or indirectly engage in or carry on in the Territory any business or activity that competes with or is substantially similar to the business conducted by the Company, whether individually or in partnership or association with any one or more persons or entities, as a principal, partner, shareholder, employee, officer, director, agent, consultant or in any other capacity; or
 - (2) Directly or indirectly interfere with any customer of the Company or any prior relationship between the Company and any other person or business entity or solicit any sales to or any other business of any customer of the Company; or induce or assist anyone in inducing in any way any employee of the Company to resign or sever employment, or to breach an employment contract with the Company; or
 - (3) Lend money to, guarantee the lending of money, or otherwise arrange for or promote the financing of any business or other activity conducted in the Territory that competes with or is substantially similar to the business of the Company.
- (b) The restraints against competition imposed upon and agreed to by Employee hereunder shall apply to, and be enforceable in Harris County, Texas, and the immediately contiguous counties (such area being herein referred to as the "Territory").
 - (c) Employee and the Company expressly agree and acknowledge that it is not their intention that the Covenant set forth in this Section 2 violate any public policy or statutory or common law. If a court of competent jurisdiction renders a ruling (sustained on appeal, if any) holding that any one or more of the provisions of such Covenant, including the stated term and geographic coverage thereof, constitute an unreasonable restriction on Employee, then the parties specifically agree that such covenant shall not be rendered void, but shall apply to such extent and to such time and geographic areas as the court may determine constitutes a reasonable restriction under the circumstances.
 - (d) Without limiting the generality of the preceding paragraph, the parties specifically intend that the Covenant referred to above shall be construed as a series of separate covenants for each distinct geographic area contained within the Territory. Except for its respective geographic coverage, each and every such separate covenant shall be deemed identical in terms and, if any one or more of such separate covenants are held by a court of competent jurisdiction (sustained on appeal, if any) to be unenforceable, then each such unenforceable covenant shall be deemed eliminated to the extent necessary to permit the remaining separate covenants to be enforced.

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- (e) It is expressly agreed between the parties that monetary damages would be inadequate to compensate the Company for any breach by Employee of this Covenant. Accordingly, Employee agrees and acknowledges that any violation or threatened violation of this Covenant will cause irreparable injury to the Company and that, in addition to any other remedies which may be available, the Company shall be entitled to obtain injunctive relief against a threatened breach or the continuation of any such breach, without the necessity of proving actual damages.
 - (f) Employee expressly acknowledges and agrees that the Covenant is necessary to protect the Confidential Information of the Company and that the Covenant is the least restrictive possible and still provide the necessary protection. Employee expressly acknowledges and agrees that the Covenant will not prevent him from finding suitable employment in the event his employment with the Company is terminated for any reason.
3. Non-Solicit and Non-Hire. Employee agrees that, during the term of Employee's employment with the Company and for a period of three (3) years after the end of his employment with the Company for any reason, Employee will not, directly or indirectly:
- (a) Induce, entice, hire or attempt to hire or employ any employee of Company on behalf of an individual or entity who provides the same or similar services, processes or products as Company;
 - (b) Induce, or attempt to induce, any customer, supplier, vendor or any person to cease doing business with Company; or,
 - (c) Induce, or attempt to induce, any individual to violate the provisions or prohibitions contained in Company's non-competition or non-solicitation agreements .
- “Indirectly” means that Employee will not use any other person or persons to accomplish what is prohibited by (a), (b) and (c) of this Section 3.
4. Enforcement. If Employee breaches or threatens to breach any provision of this Agreement, the Company will have the right, in addition to any other remedies available under applicable law, to have this Agreement specifically enforced by any court having jurisdiction, without being required to post bond or other security, and without having to prove the inadequacy of the available remedies under law. Employee also recognizes and agrees that any such breach or threatened breach will cause irreparable injury to the Company, and that money damages alone will not provide an adequate remedy to the Company and therefore, by this Agreement Employee acknowledges and agrees that the Company will have the right, even over Employee's objections, to an injunction requiring Employee's compliance with this Agreement and will have the right to seek and receive

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an ex parte temporary restraining order, to be followed by a hearing on a temporary injunction, with regard to the promises Employee has made herein. In addition, Employee understands and agrees that the Company may take all such other actions and remedies available to it at law or in equity. In the event of such breach or threatened breach by Employee, Employee also agrees to indemnify the Company against any costs, damages, losses, or other expenditures, including legal costs, expended by the Company to enforce its rights under this Agreement.

5. General Provisions.

- (a) Employee expressly understands that his continued employment with the Company is contingent upon his ongoing compliance with the terms of this Agreement.
- (b) This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to any of the conflict of law rules thereof.
- (c) References in this Agreement to the masculine, feminine, or neuter gender shall include references to the other genders.
- (d) This Agreement constitutes the entire agreement and understanding between the parties on the topics herein covered and integrates all prior discussions between them related to the subject matter hereof.
- (e) No amendment or modification to this Agreement shall be valid unless it is in writing and signed by both parties. The recitals on the first page hereof are stipulated to be true and correct.
- (f) This Agreement shall be binding upon and inure to the benefit of the respective heirs, executors, personal representatives, successors and assigns of the parties hereto.
- (g) In the event any provision of this Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall attach only to such provision and shall not affect or render invalid any other provision of this Agreement.
- (h) If it should ever be necessary for the Company to employ an attorney with regard to the enforcement of this Agreement, or any litigation involving this Agreement, the Employee shall pay to the Company all costs and expenses incurred thereby, including, but not limited to, reasonable attorneys' fees, expert witness fees, and costs.

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- (i) In the event that Employee shall breach the provisions of this Agreement, the periods of restrictions against competition or disclosure or solicitation, shall be deemed to commence from the date Employee is enjoined from so competing, or breaching, or ceases to solicit or compete, whichever date is later.
- (j) Employee acknowledges that he has read and understands this Agreement and that he has received a copy of the same. Employee further acknowledges that he was advised by the Company that he should consult with his own attorney concerning the terms of this Agreement and Employee's execution thereof. Employee has either so consulted an attorney or has expressly determined, despite the Company's advice, not to do so.
- (k) Employee hereby agrees that, after termination of his employment with the Company, whether by the Company or Employee, and with or without cause, the Company may notify, either verbally or in writing, any future or prospective employer, partner, member, or affiliate, of the existence of this Agreement, and the Company may provide a copy thereof to such person or entity, and that any such action by the Company shall not be deemed as interference, wrongful or otherwise, with any contract or business relationship of Employee.

EXECUTED effective as of the date first above referenced.

Company:

Employee:

INTERGULF CORPORATION

By: _____

Name: _____

Name: _____

Title: _____

Date: _____

Date: _____

