



Engineered Adsorption Solutions | Partnership | Success



Statement of Core Values and Beliefs

Issued by
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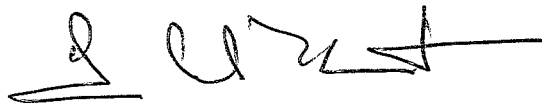
A message from the President

Dear colleagues,

As the No. 1 adsorption technology company in North America, our stated business objective is to **achieve sustained profitable growth through the creation of superior customer value.**

The values and beliefs we hold guide the actions we take to achieve our business objective. As a member of the Xebec workforce, you need to make sure that your actions support the corporation's values and beliefs, and that you reconcile personal and business interests with our economic, social, and environmental responsibilities. These values and beliefs find further expression in our Code of Ethics.

I ask you to familiarize yourself with the contents of this document, the contents of which provide the blueprint for our success.



Kurt Sorschak
President
Xebec Adsorption Inc.

Visionary leadership

Our senior leaders set directions, create customer focus, create clear and visible values, and set high and challenging expectations and goals for the whole organization. The strategies, systems and methods for achieving performance excellence, will stimulate innovation, build knowledge and capabilities, and ensure our organizational sustainability.

The senior leaders serve as role models through their ethical behavior and their personal involvement in planning, communications, coaching, development of future leaders, organizational performance review, employee recognition, and social involvement.

Customer-driven excellence

Superior marketplace quality and performance can ultimately only be defined by our customers. Consequently, all product and service features and characteristics, and all avenues of customer access that contribute value to our customers need to be addressed continuously by us, since we are being constantly compared to our competitive marketplace. We are committed to understand today's customer desires and need to anticipate future customer desires and assess marketplace potential.

For us, customer value is market-perceived quality adjusted for the relative price of our products and services.

A clear customer focus will lead to customer acquisition, satisfaction, preference, referrals, retention, loyalty and business expansion. Value and satisfaction may be influenced by many factors throughout our customers overall experience with us, but in the end we will have to set ourselves apart from our competition by creating better value for money. These value propositions include a high degree of agility in relation to flexibility as well as our capacity to rapidly change. All aspects of time-performance are critical and cycle-time has become a key process measure.

Valuing employees and partners

Today we all recognize more than ever that companies who want to be successful need engaged, motivated, and skilled employees who are willing to accept continuous learning and change.

At Xebec we want to create a sense of belonging and an environment of stability, respect, trust, teamwork and purpose. This belonging implies reciprocity, i.e. a commitment by the employee to the company, and a commitment by the company to the employee.

In general, employees feel engaged when they find personal meaning and motivation in their work and when they receive positive interpersonal and workplace support. An engaged workforce benefits from trusting relationships, a safe and cooperative environment, good communication and information flow, empowerment, and performance accountability.

To create this work environment we need to be an ever-changing enterprise, one which is continuously learning new and better ways of doing things, creating new products and services, and constantly exploring new opportunities.

Profitable growth is the basis of all. Only a profitable company will have the strength and resources to be able to support its employees, satisfy its shareholders, grow our company and economy, and thereby contribute positively to our society, while preserving and safeguarding our environment.

As change will always be a constant, belonging and stability can only be found in a strong and lasting purpose. This lasting purpose is derived from our decisions and actions which we take every day, and which must reflect our intentions for the long-term and for the good of everyone. We find this lasting purpose in the realization that a profitable, responsible and growing company will positively contribute to our society, and that it is us, the employees of this company who achieve this contribution.

Employment security must go beyond short-term economic cycles; long-term employment will add to personal stability and safety, and increase our return on the investment we make in our employees by increasing retention, knowledge development, and active participation in the business. Company profitability will assure long-term employment and create the environment of stability we want.

Valuing employees and partners *continued*

Xebec expects a strong commitment from its employees, both emotionally and intellectually, so that we can accomplish the work, mission, and vision of the company. Everybody has to contribute to profitable growth, waste elimination, continuous learning and positive participation in the business. Our employees must not only work *in* the business, but are expected to be working *on* the business, i.e. continuously improving on what is important, and on how we are doing things, with a view to increasing customer value and profitability.

Consequently, Xebec fosters, cares, and invests in its employees with the intention to:

- Invest in continuous training, learning, and personal development
- Enhance employee decision-making and time management
- Care in relation to retirement, health, savings, living, and family-friendliness
- Effective recognition and superior reward systems
- Equal opportunity and fair treatment
- Foster trust, mutual respect and offer an enjoyable and challenging team working environment with open communication

Health and safety plays an important role at Xebec. Our commitment in this regard is demonstrated by our OHSAS certification and our safety record. We are determined to improve the safety of our products, our processes and our work environment in order to safeguard our employees, customers, and partners.

Our committed and well-trained employees, who are professional, responsive and responsible will create and maintain the “sustainable competitive advantages” our company needs to prosper in today’s tough marketplace.

We need strong and capable partners who will work with us and support us in achieving our goal of superior customer value creation through continuous performance improvement.

Contributions to society

We want to reconcile business interests with our economic, social, and environmental responsibility. Successful corporations need a healthy society and environment, and thriving societies need successful corporations. Only successful companies can create jobs, wealth, and innovations that will improve the standard of living and social conditions over time.

The single most important thing we can do as a company for our society and for our community is contribute to a prosperous economy. We need to clearly understand the interaction between society, environment, and companies. At the intersection of our activities we need to strengthen and reinforce our shared values with the clear intention to identify the benefits for both sides.

Practicing good citizenship refers to leadership and support – within the limitations of our organization's resources – of publicly important purposes. For us this means pursuing environmental excellence, practicing resource conservation, performing community services, and improving education and health care in our community. We will conduct our business with honesty, integrity, and decency, respecting our customers, our suppliers, our shareholders, and one another.

Our Code of Ethics is the guideline which will help us achieve this goal.

The environment

We all are faced with a growing recognition that GDP (Gross Domestic Product) produced at the expense of the global environment, and at the expense of finite physical resources, overstates the net contribution of that economic growth to our overall prosperity. Therefore, we need to operate in ways that secure long-term economic performance by avoiding short-term behavior that is socially detrimental or environmentally wasteful. Integrating economic growth with social and environmental responsibility leads to the concept of “sustainable development”.

For Xebec we have adopted the Brundtland commission's definition of sustainability:

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

This definition shall guide our overall economic activities.

Competitive value proposition

“Strategy is the creation of a unique and valuable position, involving a different set of activities” therefore our competitive strategy must be about being different from our rivals. We must deliberately choose a different set of activities to deliver a unique mix of values to our customers. Since the execution of strategy is in our activities, we need to perform activities differently. This mix must offer superior value and must be perceived by our customers as such. To achieve this recognition, we will need to establish excellent communication and marketing practices.

In operational terms Xebec will transform itself into a socially and environmentally responsible enterprise, by minimizing waste of any kind and continuously improving our impact on air, soil and water. We will reduce our environmental footprint, while at the same time driving sustainable growth for our customers, employees, suppliers, and shareholders.

In product terms, this means offering products and services which will help achieve sustainable growth for ourselves and our customers. We will do this by offering highly energy-efficient products which will consume less energy to operate, have longer service and maintenance intervals, and thereby deliver superior life cycle costs and environmental benefits. We will design and construct our products using the least amount of materials and energy input necessary, while operating in the least wasteful manner possible. Innovation will be a key to meaningful product and service offerings and differentiation.

By using less energy and materials, and with a clear focus on waste elimination, we will contribute to a reduction in the rising levels of greenhouse gases (GHG) in the atmosphere.

Our contribution, small on a national scale, will be the start of a meaningful contribution if imitated by others, and as such has the potential to generate overall significant results. We consider this contribution a moral obligation because we recognize that as a good corporate citizen we are doing the right thing.

Partnership for profitability

Further to our sustainable growth model, we will work with our customers in long-term partnerships that help improve *their* productivity and profitability, and help them create value propositions for *their* customers. In order to achieve this we will need to establish excellent communications and relationships at all levels of our organizations, clearly demonstrating our seriousness and determination. We need to deliver on these promises through “points of difference” with a “resonating focus” on creating value, while at the same time stressing the sustainability of our approach.

We need to foster and strengthen our relationships with our supply partners who will have to work and support us in achieving our goal of superior customer value creation through continuous performance improvements and closer integration into our business processes.

Management by fact

Organizations depend on the measurement and analysis of performance. These measurements should derive from business needs and strategy, and they should provide critical data and information about key processes, outputs, and results. We commit to a rigorous development of meaningful indicators which will lead to improved customer, operational, financial, and ethical performance.

Decisions within the organization will be fact-based preceded by a rigorous analysis of available data and information.

Successful management of our overall performance requires a holistic organizational approach which will align and integrate our activities with our goal of superior customer value creation. In order to achieve this strategic alignment we will use the balanced scorecard approach. This will help us to align our strategic goals with our overall operational activities to deliver superior comparative customer value.

Working on our future

Our pursuit of a sustainable profitable growth model requires understanding the short and longer term factors that affect our company and marketplace. Our planning needs to anticipate many factors, such as customer expectations, new business and partnering opportunities, workforce development and hiring needs, the increasingly global marketplace, technological developments, the evolving e-business environment, changes in customer and market segments, evolving regulatory requirements, and strategic moves by competitors.

Our focus will be on continuous, distinctive “customer value creation,” implementation of a “lean enterprise,” the development and deployment of an aligned company, and a strong strategy development and deployment activity which will help us deliver superior results.

Achieving commercial success in ways that honor ethical values, respect people, communities, and the natural environment are essential to Xebec.

