

SETTLEMENT AGREEMENT

The Commissioner of Labor (hereinafter referred to as "Commissioner") and Nitrex, Inc. (hereinafter referred to as "Employer") hereby agree as follows:

The Commissioner amends the Safety Order(s) and Notification(s) of Penalty, IOSHA Inspection No. 315870576 issued to the Employer on January 4, 2013 in the following manner.

SAFETY ORDER 01:

- | | |
|-----------------|--|
| Item 1: | Upheld; Penalty is reduced 50% to \$612.50.
Abatement extended to March 31, 2013. |
| Item 2: | Upheld; Penalty is reduced 50% to \$612.50.
Abatement extended to March 31, 2013. |
| Item 3: | Upheld; Penalty is reduced 50% to \$612.50.
Abatement extended to March 31, 2013. |
| Item 4: | Upheld; Penalty is reduced 50% to \$612.50.
Abatement extended to March 31, 2013. |
| Item 5: | Upheld; Penalty is reduced 50% to \$612.50.
Abatement extended to March 31, 2013. |
| Item 6a and 6b: | Upheld; Penalty is reduced 50% to \$612.50. |
| Item 7a and 7b: | Upheld; Penalty is reduced 50% to \$612.50. |
| Item 8: | Upheld; Penalty is reduced 50% to \$350.00. |
| Item 9a and 9b: | Upheld; Penalty is reduced 50% to \$350.00.
Abatement extended to March 31, 2013. |
| Item 10: | Upheld; Penalty is reduced 50% to \$350.00. |
| Item 11: | Upheld; Penalty is reduced 50% to \$612.50. |
| Item 12: | Upheld; Penalty is reduced 50% to \$350.00. |

The TOTAL AGREED PENALTY is \$6,300.00.

THE EMPLOYER IS SATISFIED WITH THE AMENDMENTS STATED ABOVE AND ACCORDINGLY WAIVES ITS RIGHT TO FILE A NOTICE OF CONTEST OF THE SAFETY ORDER(S) AND NOTIFICATION(S) OF PENALTY AS AMENDED AND AGREES TO WITHDRAW ANY PREVIOUSLY FILED NOTICES OF CONTEST IN THIS MATTER.

Upon full execution of this Settlement Agreement ("Agreement") the Employer will post this Agreement for three (3) working days or until abatement is completed, whichever period is longer.

The Employer further agrees that if the AGREED PENALTY is not paid as agreed that the full amount of the penalty initially assessed against the Employer in the Safety Order(s) and Notification(s) of Penalty which are the subject of this Agreement is due and payable immediately.

The Safety Order(s) and Notification(s) of Penalty are, and shall be, herein a final and enforceable Order of the Board of Safety Review.

Except for this Agreement, and IOSHA matters arising out of this Agreement, and any other subsequent IOSHA proceedings between the parties, none of the foregoing agreements, statements, findings, and actions taken by Employer shall be deemed an admission by Employer of the allegations contained within the Safety Order(s) and Notification(s) of Penalty. The agreements, statements, findings and actions taken herein are made in order to compromise and settle this IOSHA matter economically and amicably, and they shall not be used for any other purpose, except as herein stated.

NITREX, INC.

By: [Signature]

Title: PRESIDENT

Date: Jan 25, 2013

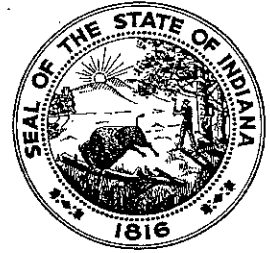
COMMISSIONER OF LABOR

By: [Signature]

Title: Director

Date: 1/25/13

Indiana Department of Labor
Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: 317/232-1979; Fax: 317/233-8509



Certified mail # 70231010 00235732 5931 1-4-13 JH

Safety Order and Notification of Penalty

To:	Inspection Number:	315870576
Nitrex, Inc., and its successors 350 Blue Chip Court Franklin, IN 46131	Inspection Date(s):	10/25/2012 - 10/31/2012
	Issuance Date:	01/04/2013

Inspection Site:
350 Blue Chip Court
Franklin, IN 46131

The violation(s) described in this Safety Order and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

An inspection of your place of employment has revealed conditions which we believe do not comply with the provisions of the Indiana Occupational Safety and Health Act (Indiana Code Chapter 22-8-1.1) or the standards or rules adopted thereunder. Accordingly, enclosed please find safety order(s) and notification(s) of penalty describing such violation(s) with references to applicable standards, rules, or provisions of the statute and stating the amount of any penalty(ies).

Informal Conference - Please be advised that it may be possible to informally settle any potential dispute without initiating the more elaborate proceedings brought on by a petition for review. Prior to filing a petition for review, you may request an informal conference concerning any of the results of the inspection (safety orders, penalties, abatement dates, etc.) by contacting the Indiana Department of Labor/IOSHA, preferably by telephone, in a prompt manner. Please be advised that a request for an informal conference cannot extend the fifteen working day period for filing a petition for review. Informal conferences frequently resolve any possible disputes, and therefore you are urged to take advantage of this opportunity. Because of the limited time period and in order to facilitate scheduling, any requests for an informal conference should be made promptly upon your receipt of the safety order(s) and notification(s) of penalty.

Right to Contest - You are hereby also notified that you are entitled to seek administrative review of the safety order(s), penalty(ies), or both by filing a written petition for review at the above address postmarked within fifteen working days of your receipt of the safety order(s) and notification(s) of penalty. ("Working days" means Mondays through Fridays, but does not include Saturdays, Sundays, legal holidays under a state statute or days

on which the Indiana Department of Labor's offices are closed during regular business hours). If you do not file such a petition for review (contest), the safety order(s) and penalty(ies) shall be deemed final orders of the Board of Safety Review and not subject to review by any court or agency. The issuance of a safety order does not constitute a finding that a violation has occurred unless no petition for review is filed, or if a petition for review (contest) is filed, it must contain a statement of its basis and should reference the above inspection number. Upon receipt of your petition for review, we will affirm, amend or dismiss the safety order(s) and notification(s) of penalty. If we affirm, your petition for review will be granted (unless it was not timely) and the dispute will be certified by the Board of Safety Review for further proceedings. The Board of Safety Review is an independent agency appointed by the governor with authority to conduct hearings and to issue decisions concerning disputed safety order(s) and notification(s) of penalty. If we amend the safety order(s) or notification(s) of penalty, your petition for review shall be deemed moot. However, you will then be given an opportunity to file a petition for review concerning the amended safety order(s) and notification(s) of penalty.

Please be advised that an employee or representative of employees may file a petition for review to contest the reasonableness of the time stated in the safety order(s) for the abatement of any violation.

Posting - Upon receipt of any safety order(s) you are required to post such safety order(s), or a copy thereof, unedited, at or near each place an alleged violation referred to in the safety order(s) occurred. However, if your operations are such that it is not practicable to post the safety order(s) at or near each place of alleged violation, such safety order(s) shall be posted, unedited, in a prominent place where it will be readily observable by all affected employees. For example, if you are engaged in activities which are physically dispersed, the safety order(s) may be posted at the location from which the employees operate to carry out their activities. You must take steps to ensure that the safety order is not altered, defaced, or covered by other material. Posting shall be until the violation is abated, or for three working days, whichever is longer.

Penalties - Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Abatement does not constitute payment of penalties.

Abatement - The conditions cited in the safety order(s) must be corrected (abated) on or before the date shown for each item on the safety order(s) and notification(s) of penalty unless:

(1) You file a petition for review concerning the violation, in which case the full abatement period shall commence from the issuance of a final decision by the Board of Safety Review or the courts which requires compliance with the safety order; or

(2) The abatement period is extended by the granting of a petition for modification of abatement date.

PMAs - The petition for modification of abatement date is a manner in which you may seek additional time to correct (abate) a violation without having to file a petition for review concerning the safety order, or after the expiration of the time period to file such a petition for review when it becomes apparent that you need extra time to abate the violation. A petition for modification of abatement date shall be in writing and shall include the following information:

(1) All steps you have taken, and the dates of such actions, in an effort to achieve compliance during the prescribed abatement period.

(2) The specific additional abatement time necessary in order to achieve compliance.

(3) The reasons such additional time is necessary, including the unavailability of professional or technical personnel or of materials and equipment, or because necessary construction or alteration of facilities cannot be completed by the original abatement date.

(4) All available interim steps being taken to safeguard employees against the cited hazard during the abatement period.

(5) A certification that a copy of the petition has been posted, and if appropriate, served on the authorized representative of affected employees, and a certification of the date upon which such posting and service was made.

A petition for modification of abatement date shall be filed with the Indiana Department of Labor/IOSHA no later than the close of the next working day following the date on which abatement was originally required. A later-filed petition shall be accompanied by the employer's statement of exceptional circumstances explaining the delay. A copy of such petition shall be posted in a conspicuous place where all affected employees will have notice thereof or near such location where the violation occurred. The petition shall remain posted until the time period for the filing of a petition for review of the Commissioner's granting or denying the petition expires. Where affected employees are represented by an authorized representative, said representative shall be served a copy of such petition.

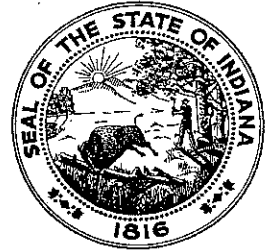
Notification of Corrective Action - Correction of the alleged violations which have an abatement period of thirty (30) days or less should be reported in writing to us promptly upon correction. A "Letter of Abatement" form and an "Abatement Photographs" worksheet are enclosed for your assistance in providing adequate documentation of abatement. Reports of corrections should show specific corrective action on each alleged violation and the date of such action. On alleged violations with abatement periods of more than thirty (30) days, a written progress report should be submitted, detailing what has been done, what remains to be done, and the time needed to fully abate each such violation. When the alleged violation is fully abated, we should be so advised. Timely correction of an alleged violation does not affect the initial proposed penalty.

Followup Inspections - Please be advised that a followup inspection may be made for the purpose of ascertaining that you have posted the safety order(s) and corrected the alleged violations. Failure to correct an alleged violation may result in additional penalties for each day that the violation has not been corrected.

Employer Discrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the Indiana Department of Labor/IOSHA at the address shown above.

Notice to Employees - The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the Indiana Department of Labor/IOSHA at the address shown above within fifteen (15) working days (excluding weekends and State holidays) or receipt by the employer of this safety order and penalty.

If you wish additional information, you may direct such requests to us at the address or telephone number stated above.



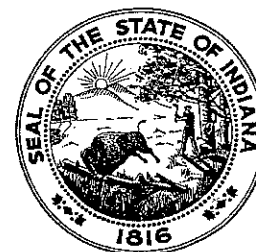
NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with IOSHA to discuss the safety order(s) issued on 01/04/2013. The conference will be held at the IOSHA office located at 402 West Washington Street, Room W195, Indianapolis, IN 46204 on _____ at _____.

Employees and/or representatives of employees have a right to attend an informal conference.

Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 315870576
Inspection Dates: 10/25/2012 - 10/31/2012
Issuance Date: 01/04/2013



Safety Order and Notification of Penalty

Company Name: Nitrex, Inc.
Inspection Site: 350 Blue Chip Court, Franklin, IN 46131

Safety Order 1 Item 1 Type of Violation: **Serious**

29 CFR 1910.106(d)(3)(ii): Storage cabinet(s) for flammable and combustible liquids were not designed or constructed to meet minimal fire resistance as required:

Shop/Shipping (FC2 furnace) - A 6' x 4' x 2' plastic cabinet with doors that did not provide a tight seal (1/4" gap) was used to store open containers of flammable and combustible liquids such as, but not limited to, Rust-Tek 60 (flashpoint 170° F, Class III-A combustible liquid). Employees retrieved spray bottles of Rust-Tek from the cabinet in order to coat treated metal parts with the product on a routine basis. This cabinet was located 10 feet from the flames emitted from the FC2 furnace and 5 feet from three 55 gallon drums of R1-100 Acetone (flashpoint -4° F, Class I-B flammable liquid).

Date By Which Violation Must be Abated: 01/31/2013
Proposed Penalty: \$1,225.00

Safety Order 1 Item 2 Type of Violation: **Serious**

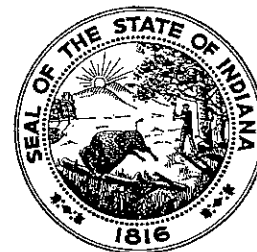
29 CFR 1910.106(d)(4)(v): Flammable or combustible liquids inside storage room(s) were not dispensed by approved pumps or self-closing faucets:

Shop/Shipping (FC2 furnace) - Employees dispensed liquids on a regular and routine basis from fifty-five gallon drums that did not have self-closing faucets to prevent spills of flammable or combustible liquids such as, but not limited to, R1-100 Acetone (flashpoint -4° F, boiling point 132° F, Class I-B flammable liquid). Liquid pooling from the spills had the potential for fires and explosions from evaporating vapors and sources of ignition.

Date By Which Violation Must be Abated: 01/31/2013
Proposed Penalty: \$1,225.00

Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 315870576
Inspection Dates: 10/25/2012 - 10/31/2012
Issuance Date: 01/04/2013



Safety Order and Notification of Penalty

Company Name: Nitrex, Inc.
Inspection Site: 350 Blue Chip Court, Franklin, IN 46131

Safety Order 1 Item 3 Type of Violation: **Serious**

29 CFR 1910.106(e)(2)(ii)(b)(2): More than 120 gallons of Class IB, IC, II or III flammable or combustible liquids in containers were located outside of inside storage room(s) or storage cabinet(s):

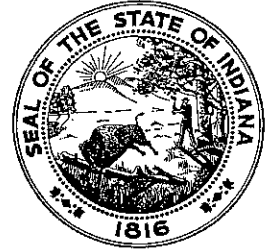
Shop/Shipping (FC2 furnace) - Six (6) 55 gallon drums (330 gallons) of Class I-B, Class II, and Class III flammable and combustible liquids such as, but not limited to, R1-100 Acetone (flashpoint -4⁰ F, boiling point 132⁰ F, Class I-B flammable liquid), and Wadis 24 (flash point 109.4⁰ F, Class II combustible liquid) were stored 8 feet from an operating FC2 furnace outside of an inside storage room or flammable storage cabinet. Employees were not protected from the potential of igniting vapors or explosions when they filled aluminum pans, used to immerse treated metal parts for cleaning or coating, on a regular and routine basis.

Date By Which Violation Must be Abated: 01/31/2013
Proposed Penalty: \$1,225.00

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 315870576
Inspection Dates: 10/25/2012 - 10/31/2012
Issuance Date: 01/04/2013



Safety Order and Notification of Penalty

Company Name: Nitrex, Inc.
Inspection Site: 350 Blue Chip Court, Franklin, IN 46131

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 4a Type of Violation: **Serious**

29 CFR 1910.106(e)(2)(iii): Area(s) in which flammable or combustible liquids were transferred from one tank or container to another container were not separated from other operations in the building(s) by adequate distance or by construction having adequate fire resistance:

Shop/Shipping (FC2 furnace) - No construction or other means of protection from potential vapor ignition, explosions, or fire was provided to eight (8) employees who dispensed flammable/ combustible liquids such as but not limited to R1-100 Acetone (flashpoint -4⁰ F, boiling point 132⁰ F, Class I-B flammable liquid), Rust-Tek 60 (flashpoint 170⁰ F, Class III-A combustible liquid), and Wadis 24 (flash point 109.4⁰ F, Class II combustible liquid) from 55 gallon drums into aluminum pans used to immerse metal parts on a regular and routine basis. The dispensing area was located approximately 8 feet from the FC2 carburizing furnace, that uses flames to burn off excess ammonia exhaust.

Date By Which Violation Must be Abated: 01/31/2013
Proposed Penalty: \$1,225.00

Safety Order 1 Item 4b Type of Violation: **Serious**

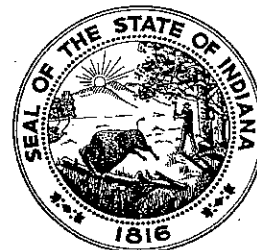
29 CFR 1910.106(e)(2)(iv)(a): Flammable liquids were not kept in covered container(s) when not actually in use:

Shop/Shipping (FC2 furnace) - Uncovered metal and plastic funnels were left in the 1" bungs of two (2) 55 gallon blue drums that had the words "Waste Acetone" written in white on their sides and contained flammable /combustible liquids such as, but not limited to, R1-100 Acetone (flashpoint -4⁰ F, boiling point 132⁰ F, Class I-B flammable liquid). Employees were not protected from potentially igniting vapors when they poured waste flammable/combustible liquids into the open 55 gallon drums, stored 8 feet way from an operating FC2 carburizing furnace emitting flames, on a routine and daily basis.

Date By Which Violation Must be Abated: 01/31/2013

Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 315870576
Inspection Dates: 10/25/2012 - 10/31/2012
Issuance Date: 01/04/2013



Safety Order and Notification of Penalty

Company Name: Nitrex, Inc.
Inspection Site: 350 Blue Chip Court, Franklin, IN 46131

Safety Order 1 Item 5 Type of Violation: **Serious**

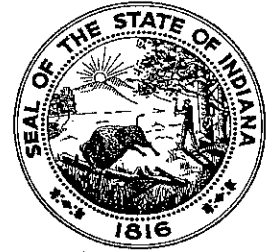
29 CFR 1910.106(e)(6)(ii): Class I flammable liquid(s) were dispensed into containers without electrically interconnecting the nozzle and the container:

Shop/Shipping (FC2 furnace) - The 55 gallon dispensing drums were not bonded to the receiving containers when employees dispensed flammable/combustible liquids such as, but not limited to: Acetone (flashpoint -4⁰ F, boiling point 132⁰ F, Class I-B flammable liquid), Rust-Tek 60 (flashpoint 170⁰ F, Class III-A combustible liquid), and Wadis 24 (flash point 109.4⁰ F, Class II combustible liquid) into aluminum pans and plastic 24 ounce spray bottles. Employees were not protected from possible vapor ignition due to electrostatic discharge between the containers.

Date By Which Violation Must be Abated: 01/31/2013
Proposed Penalty: \$1,225.00

Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 315870576
Inspection Dates: 10/25/2012 - 10/31/2012
Issuance Date: 01/04/2013



Safety Order and Notification of Penalty

Company Name: Nitrex, Inc.
Inspection Site: 350 Blue Chip Court, Franklin, IN 46131

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 6a Type of Violation: **Serious**

29 CFR 1910.146(e)(1): Before entry was authorized, the employer did not document the completion of measures required by 29 CFR 1910.146(d)(3) by preparing an entry permit:

West Building - Employees entered furnaces such as but not limited to FC1 and FC2 carburizing furnaces (permit required confined spaces) to conduct minor repairs and adjustments on a weekly and routine basis without a prepared entry permit.

Date By Which Violation Must be Abated: 01/31/2013
Proposed Penalty: \$1,225.00

Safety Order 1 Item 6b Type of Violation: **Serious**

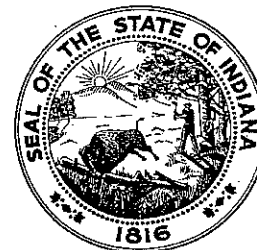
29 CFR 1910.146(g)(1): The employer did not provide training so that all employees whose work was regulated by 29 CFR 1910.146, Permit-required confined spaces, acquired the understanding, knowledge, and skills necessary for the safe performance of the duties assigned:

West Building - Employees who entered permit confined spaces such as, but not limited to, the FC1 and FC2 carburizing furnaces to conduct repairs and adjustments up to a weekly basis had not received training for confined space entrants, attendants, supervisors, and rescue services.

Date By Which Violation Must be Abated: 01/31/2013

Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 315870576
Inspection Dates: 10/25/2012 - 10/31/2012
Issuance Date: 01/04/2013



Safety Order and Notification of Penalty

Company Name: Nitrex, Inc.
Inspection Site: 350 Blue Chip Court, Franklin, IN 46131

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 7a Type of Violation: **Serious**

29 CFR 1910.147(c)(5)(ii)(C)(1): Lockout devices were not substantial enough to prevent removal without the use of excessive force or unusual techniques, such as with the use of bolt cutters or other metal cutting tools:

Shop/Shipping (FV1 Furnace) - Employees pasted red tape over the electrical breaker switch(es) and then tucked a tag-out device into the 480 volt cabinet yellow electrical panel handle below as a means of lockout/tagout. This lockout means did not provide full employee protection from the energization of furnaces such as, but not limited to: FV2, FD1 and FD2 as minor repairs and maintenance were conducted on a routine and weekly basis.

Date By Which Violation Must be Abated: 01/31/2013
Proposed Penalty: \$1,225.00

Safety Order 1 Item 7b Type of Violation: **Serious**

29 CFR 1910.147(d)(4)(ii): Lockout devices utilized were not affixed in a manner that held the energy isolating device in a "safe" or "off" position:

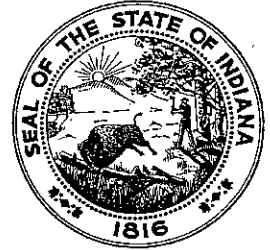
Shop/Shipping (FP7) - Electrical cabinet breaker switches such as, but not limited to, FD4 on Main Panel 4, a 480 volt electrical cabinet, was not secured in the "off" position which to protect shop personnel from potential electrocutions and 2nd or 3rd degree burns from an accidental start-up of the furnaces. Employees lockout the main breakers of the furnaces with red tape to conduct minor repairs and maintenance on a routine and weekly basis.

Date By Which Violation Must be Abated: 01/31/2013

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 315870576
Inspection Dates: 10/25/2012 - 10/31/2012
Issuance Date: 01/04/2013



Safety Order and Notification of Penalty

Company Name: Nitrex, Inc.
Inspection Site: 350 Blue Chip Court, Franklin, IN 46131

Safety Order 1 Item 8 Type of Violation: **Serious**

29 CFR 1910.151(c): Where employees were exposed to injurious corrosive materials, suitable facilities for quick drenching or flushing of the eyes and body were not provided within the work area for immediate emergency use:

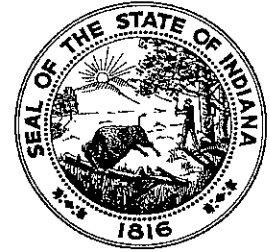
Shop/Shipping (FV1 furnace) - No emergency eyewash/shower was available for shop personnel who performed tasks such as but not limited to charging or replenishing the electrolyte solution (35% sulfuric acid) of 6 cell, 12 Volt tubular fork truck batteries.

Date By Which Violation Must be Abated: 01/31/2013
Proposed Penalty: \$700.00

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 315870576
Inspection Dates: 10/25/2012 - 10/31/2012
Issuance Date: 01/04/2013



Safety Order and Notification of Penalty

Company Name: Nitrex, Inc.
Inspection Site: 350 Blue Chip Court, Franklin, IN 46131

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 9a Type of Violation: **Serious**

29 CFR 1910.178(a)(5) If the truck is equipped with front-end attachments other than factory installed attachments, the user shall request that the truck be marked to identify the attachments and show the approximate weight of the truck and attachment combination at maximum elevation with load laterally centered:

Shop/Shipping - Walking forklift trucks, such as, but not limited to, Big Joe Model #PDM-30-060, serial #355321 and Big Joe Model # IBH 1018-R5, serial #361348 were not marked to show the weight of the fork extensions, the new combined weight of the fork extensions and truck, the length of the extensions, and the new load capacity of the trucks. The trucks may potentially tip over when their operators unknowingly transport pallets that exceeded the load weight capacity when moving metal parts weighing approximately 400 lbs. to 4,000 lbs. throughout the facility on a routine and daily basis.

Date By Which Violation Must be Abated: 01/31/2013
Proposed Penalty: \$700.00

Safety Order 1 Item 9b Type of Violation: **Serious**

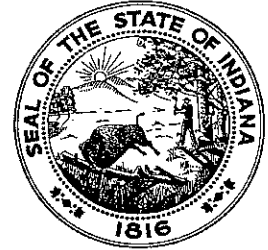
29 CFR 1910.178(a)(6): Nameplates or markings for powered industrial trucks were not maintained in a legible condition:

Shop/Shipping - Identification plates were extensively worn and scratched on powered industrial trucks such as, but not limited to, Big Joe Model #PDM-30-060, serial #35532. By not being able to identify the load limits from the identification plates, heat treating personnel/operators may be potentially exposed to the vehicle tip over, and pallets of metal parts collapsing on them or their coworkers when they used the trucks to move material weighing approximately 400 lbs. to 4,000 lbs throughout the facility on a routine and daily basis.

Date By Which Violation Must be Abated: 01/31/2013

Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 315870576
Inspection Dates: 10/25/2012 - 10/31/2012
Issuance Date: 01/04/2013



Safety Order and Notification of Penalty

Company Name: Nitrex, Inc.
Inspection Site: 350 Blue Chip Court, Franklin, IN 46131

Safety Order 1 Item 10 Type of Violation: **Serious**

29 CFR 1910.178(g)(1): Battery charging installations shall be located in areas designated for that purpose:

Shop/Shipping (FV1 furnace) - Heat treating personnel used a NAPA Outdoorsman battery charger 10/2/60 Amp; 12 volt, automatic to charge the Exide Ironrod 6 cell, 12 volts, type E-583 batteries of powered industrial trucks such as, but not limited to, Big Joe Model #PDM-30-060, serial #355321 and Big Joe Model # 1018-R5, serial #361348 in a location cluttered with working materials. Employee(s) were not protected from potentially ignited clutter caused from exploding batteries, or battery acid spills when they charge the trucks on a routine and daily basis.

Date By Which Violation Must be Abated: **01/31/2013**
Proposed Penalty: **\$700.00**

Safety Order 1 Item 11 Type of Violation: **Serious**

29 CFR 1910.178(l)(1)(i): The employer shall ensure that each powered industrial truck operator is competent to operate a powered industrial truck safely, as demonstrated by the successful completion of the training and evaluation specified in this paragraph (l):

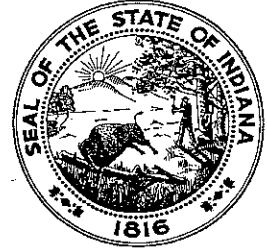
a) Shop/Shipping - Heat treating personnel operated powered industrial trucks such as, but not limited to, Big Joe Model #PDM-30-060, serial #355321, Big Joe Model # 1018-R5, serial #361348, and Big Joe Model PDH-40-60, serial #315367 were not trained on topics such as but not limited to operating instructions, fork attachment adaptation, operation, and use limitations, vehicle stability and capacity, operating limitations, etc., prior to operating vehicles. Employees may potentially crush coworkers, drop loads, and run into structures when they moved metal parts weighing approximately 400 lbs to 4,000 lbs. throughout the facility on a routine and daily basis.

b) Shop/Shipping - Heat treating personnel operated propane fueled forklift trucks such as, but not limited to, a Caterpillar Model# 8025K Type E serial #AT8290578 without training on operator topics such as but not limited to operating instructions, fork attachment adaptation, operation, and use limitations, vehicle stability and capacity, operating limitations, etc., prior to operating vehicles. Employees may potentially crush coworkers, drop loads, and run into structures when they moved items, such as but not limited to 250 gallon drums of Quench Oil (Class 3A combustible) on a routine and weekly basis.

Date By Which Violation Must be Abated: **01/31/2013**
Proposed Penalty: **\$1,225.00**

Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 315870576
Inspection Dates: 10/25/2012 - 10/31/2012
Issuance Date: 01/04/2013



Safety Order and Notification of Penalty

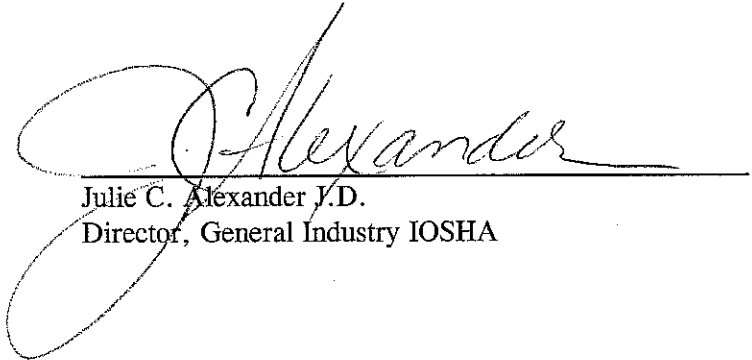
Company Name: Nitrex, Inc.
Inspection Site: 350 Blue Chip Court, Franklin, IN 46131

Safety Order 1 Item 12 Type of Violation: **Serious**

29 CFR 1910.303(g)(2)(i): Live parts of electric equipment operating at 50 volts or more were not guarded against accidental contact by approved cabinets or other forms of approved enclosures, or other means listed under this provision:

Shop/Shipping (FD4 furnace) - The FD4 furnace air pressure gauge cover was missing, exposing live electrical parts to maintenance personnel while they conducted minor repairs on a routine and weekly basis.

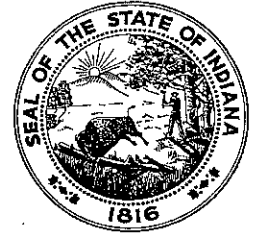
Date By Which Violation Must be Abated: 01/31/2013
Proposed Penalty: \$700.00



Julie C. Alexander J.D.
Director, General Industry IOSHA

Indiana Department of Labor

Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: (317) 233-1979 FAX: (317) 232-3790



INVOICE/DEBT COLLECTION NOTICE

Company Name: Nitrex, Inc.
Inspection Site: 350 Blue Chip Court, Franklin, IN 46131
Issuance Date: 01/04/2013

Summary of Penalties for Inspection Number 315870576

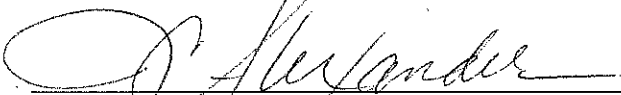
Safety Order 01, Serious	=	\$12,600.00
Total Proposed Penalties		\$12,600.00

Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Make your check or money order payable to: "Indiana DOL/IOSHA". Please indicate IOSHA's Inspection Number (indicated above) on the remittance.

IOSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

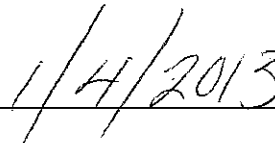
Corrective action, taken by you for each alleged violation should be submitted to this office on or about the abatement dates indicated on the Safety Order and Notification of Penalty.

A work sheet has been provided to assist in providing the required abatement information. A completed copy of this work sheet should be posted at the worksite with the safety order(s).



Julie C. Alexander J.D.
Director, General Industry IOSHA

Date



1/4/2013