

Michigan Department of Labor & Economic Growth

Date: May 18, 2007

Deborah E. Hennessey, Section Chief
Rapid Response Section
Bureau of Workforce Programs
Michigan Department of Labor & Economic Growth
Victor Office Center – 5th Floor
201 N. Washington Square
Lansing, Michigan 48913

Dear Sir or Madam:

This letter will serve as official notice that **KIMBALL ELECTRONICS GAYLORD** will engage in a layoff of employees at **1746 O'ROURKE BLVD. GAYLORD, MI 49735**, on or about **AUGUST 24, 2007**, with continued layoffs on **September 28, 2007, October 26, 2007**, and closing on or about **December 21, 2007**. This notice is being provided pursuant to the Workers' Adjustment Notification and Retraining Act.

Attached you will find employees' names, city, job titles, and the total number of employees that will be affected in each such classification (Salaried are listed as Exempt, Hourly employees are Nonexempt). **KIMBALL ELECTRONICS GAYLORD** will send individual separation notices beginning on **MAY 25, 2007**.

There is no union that represents employees at this facility, and no provision in the Company's policy for transfer, bumping, or reassignment for salaried office or management personnel.

The announced layoff will affect the entire facility of **214 employees**, beginning with the second shift layoff on **August 24, 2007**, and continuing with layoff notifications until closure by **December 21, 2007**. Layoff is expected to be permanent. **See phases below.**

If you have any questions, please contact:

Frank Krajeirovic, General Manager or
Laurence Ealy, Human Resource Manager
1746 O'Rourke Blvd.
Gaylord, MI 49735
989-732-6244

Sincerely,

Laurence Ealy

Notification in Phases:

Phase I - May 25, 2007,-- Letter to 2nd shift for shift reduction effective August 24, 2007

Phase II – June 25, 2007 – Letter to Diebold line for reduction effective Sept. 28, 2007

Phase III – July 25, 2007 – Letter to Unisys line for reduction effective October 26, 2007

Phase IV – Sept. 21, 2007 - Letter to Remaining Product (Trilithic, AI, Draeger, Stryker) related lines for reduction effective December 21, 2007.

We assume we will have some folks work beyond December 21 to secure the building or for other transitional items, but they would have been given the Phase IV letter.

This is a list of all employees' positions and the number of employees in each classification

| | | |
|----------------------------------|----|----------|
| Administrative Assistant | 1 | Hourly |
| Auto Insertion | 4 | Hourly |
| Buyer | 3 | Salaried |
| Doc Control Clerk | 2 | Hourly |
| Engineering Associate | 5 | Hourly |
| Engineering Associate's Manager | 1 | Salaried |
| Engineering Manager | 1 | Salaried |
| Facility Maintenance worker | 2 | Hourly |
| Final Quality Auditor | 5 | Hourly |
| Functional Tester | 9 | Hourly |
| General Manager | 1 | Salaried |
| Hand Assembler | 13 | Hourly |
| Hand Solder | 31 | Hourly |
| HR - Generalist | 1 | Salaried |
| HR - Safety officer | 1 | Salaried |
| HR - Technical Trainer | 1 | Salaried |
| HR Manager | 1 | Salaried |
| In-Circuit Tester | 14 | Hourly |
| IT Mfg Integrator | 1 | Salaried |
| Machine maintenance tech | 4 | Hourly |
| Machine tech/calibration | 1 | Hourly |
| Machinis/ Jr Engineer | 1 | Salaried |
| Manufacturing Engineer | 2 | Salaried |
| Material handler | 12 | Hourly |
| Materials Manager | 1 | Salaried |
| Mfg Manager | 1 | Salaried |
| Network Administrator | 1 | Salaried |
| Packout | 2 | Hourly |
| Parts Prep | 11 | Hourly |
| Parts Programming | 2 | Hourly |
| Planning | 3 | Salaried |
| Plant/Facility Manager | 1 | Salaried |
| Process Engineer | 5 | Salaried |
| Production Control Mgr | 1 | Salaried |
| Production Supervisors | 8 | Salaried |
| Program Managers | 4 | Salaried |
| Prototype team lead | 1 | Salaried |
| Quality Engineer | 3 | Salaried |
| Quality Manager | 1 | Salaried |
| Quality Technician | 5 | Hourly |
| Receiving Clerk | 3 | Hourly |
| Receiving & Inspection | 2 | Hourly |
| Receiving Supervisor | 1 | Salaried |
| Receptionist | 1 | Hourly |
| Rework customer service (RMA) | 9 | Hourly |
| Customer Service /RMA Supervisor | 1 | Salaried |
| Shipping Clerk | 2 | Hourly |
| Surface Mount Technician | 19 | Hourly |
| Test Engineer | 3 | Salaried |
| Test Fixture Technician | 1 | Hourly |
| Wave Solder Tech | 5 | Hourly |