

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 Krajcirowic, 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 (Trillithic, 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
Machinist/ 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