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## SECTION 1: THE HANDBOOK

### 1.1 Welcome from the President

I welcome you to Zippo Manufacturing Company. This handbook is to serve as a resource as an employee of our organization. It is your responsibility to become familiar with our Company policies. The objective of our handbook is to maintain standards that allow for a safe and fair workplace for all employees. If necessary, I encourage you to seek clarification on any of the policies from your Supervisor or by contacting the Human Resources department. This handbook not only benefits you but it also protects the long-term viability of our great Company. I look forward to your success as we continue to build the great Zippo brand for years to come.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark A. Paup', written in a cursive style.

Mark A. Paup  
President and CEO

## 1.2 History of the Company

The history of Zippo Manufacturing Company is the story of its people. From its founder George G. Blaisdell, to the many Zippo employees, customers and collectors- many played a vital role in the Company's rich history. Their loyalty and dedication has made Zippo one of America's greatest and most recognizable icons.

In late 1932 Mr. Blaisdell fabricated a small rectangular case and attached a lid with a hinge. He incorporated a chimney design which protected the flame. The result was an attractive lighter that was easily operated with one hand. The name "Zippo" was created.

World War II had a profound impact on Zippo. Upon America's entry into the war in 1941, Zippo ceased production of lighters for consumer markets and dedicated all production to the U.S. military. This initiative led to the production of the steel-case Zippo lighter with black crackle finish. The fact that millions of American military personnel carried the lighter into battle was a significant catalyst in establishing Zippo as an American icon throughout the world. Supplying the military market resulted in full production for the Company and enabled Zippo to become financially strong and made it a viable company.

Today, George B. Duke, Mr. Blaisdell's grandson, is the sole owner and Chairman of the Board of Zippo. Zippo's diverse product line continues to grow, and now includes lighter accessories, butane multi-purpose lighters, men's and women's fragrances, lifestyle accessories, eyewear and products for outdoor enthusiasts. In a world where most products are simply disposable or available with limited warranties, the iconic Zippo Windproof lighter remains backed by its famous lifetime guarantee. In more than 85 years, no one has ever spent a cent on the mechanical repair of a Zippo Windproof lighter, regardless of the lighter's age or condition. The Zippo lighter is ingrained in American culture and is a global icon of durability and reliability.

### **1.3 Purpose of the Handbook**

The purpose of this employee handbook is to provide information and guidelines to enhance our employee/employer relationship. It has been specifically designed to assist employees in understanding our policies. In some cases, the information in this handbook is a summary of a more detailed policy or program that can be provided by a Supervisor or by the Human Resources department. Obviously, this handbook does not include every issue that may arise regarding employment. Employees will find answers to most common or daily questions within the handbook, but may not find them all. Consequently, employees should take any question regarding employment matters that are not specifically answered in the handbook (or the policies and supplements that this handbook references) to their Supervisor or the Human Resources department.

This handbook also references certain benefit plans maintained by the Company. If any questions arise regarding the implementation or interpretation of any benefit plan, the terms and conditions of the actual plan documents will control rather than any summaries contained in this handbook. The employee handbook (and other plan documents) are not contractual in nature and do not guarantee any continuation of benefits. The Company reserves the right to alter, amend or eliminate the benefits it offers from time to time in its sole discretion.

This employee handbook is neither intended, nor does it create or constitute a contract of employment or a promise or guarantee of benefits or policies stated in it. Employment remains at-will at all times, and either the employee or the Company may terminate the employment relationship at any time with or without notice or cause. The Company reserves the right to change, delete, suspend or discontinue at any time any of the policies outlined in this handbook, except for the policy of at-will employment (which may be changed only when expressly provided otherwise in a written agreement signed by the employee and the President.) The Company remains the final authority as to the proper interpretation and application of the provisions of this handbook. Deviations from its provisions by Management may be authorized, or subsequently ratified, by Management as it deems appropriate. The terms of this handbook may be changed unilaterally by Management at any time for any reason or for no reason. Neither this handbook nor its terms create any agreement, express or implied and no legal cause of action can arise as a result of an alleged breach of the Company's employment policies or their discontinuation or alteration.

Employees who work in certain states may receive supplements to this handbook, which specifically cover the states in which they work. Each state-specific supplement will apply only to employees who work in the state at issue. When an employee is covered by state-specific handbook supplements, both the supplements and this handbook will apply. To the extent that provisions in the handbook conflict with any supplement, the provision that is more generous to the employee will apply.

For the purposes of this handbook and all Company policies, the term "Supervisor" refers to the employee's immediate Supervisor, as the case may be.

This handbook includes or references certain policies and programs; however it may not include or reference all Company policies and programs that are made available to employees. It is the responsibility of all employees to review and abide by all Company policies and programs regardless of whether they are referenced in this handbook.

The policies in the handbook (and the policies and supplements that this handbook may or may not reference) supersede all previously existing policies and practices.

The Company believes that informed employees are the best employees and will utilize bulletin board notices, e-mails and revised written policies, Company meetings, department meetings and other ways to provide additional and updated information to all employees. Please remember the handbook is just one communication tool. To be effective, communication must be a two way process and employees are encouraged to take any questions they may have to their Supervisor.

## **SECTION 2: PERSONNEL, EMPLOYMENT POLICIES AND PRACTICES**

### **2.1 At-Will Employment**

At all times, employment with the Company is “at-will” (except only where expressly provided otherwise in a written agreement signed by the employee and the President.) While the Company asks for reasonable notice, the employee may terminate the employment relationship, at any time, for any reason, or for no reason, with or without notice, and the Company retains the right to terminate employees’ employment at any time, with or without prior notice or cause. Nothing said verbally or written in this handbook or a separate policy, now or in the future, is to be interpreted to the contrary. No officer, Manager, employee or representative of the Company, other than the President in writing, has authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to this At-Will Employment policy.

### **2.2 Equal Opportunity Employer/ Anti-Discrimination**

The Company is an equal opportunity employer. In accordance with anti-discrimination law, the Company prohibits discrimination and harassment and affords equal employment opportunities to employees and applicants without regard to race, color, religion, sex (including pregnancy, child birth, breastfeeding and related medical conditions,) age, national origin, sexual orientation, gender identity and expression, genetic information, marital status, disabilities, military status or any other status protected by applicable laws or regulations.

This applies to all conditions of employment including, but not limited to: recruitment, selection, placement, transfer, promotion, training, compensation, benefits and termination. All decisions regarding conditions of employment will be based on the individual’s overall qualifications and his or her ability to meet the requirements of the position in the opinion of the Company. Employees must review and abide by the Company’s Anti-Discrimination and Anti-Harassment Policy located in the “Policy Manual.”



## **2.3 Religious Beliefs**

Under Title VII of the Civil Rights Act of 1964, the Company will reasonably accommodate employees' sincerely held religious beliefs or practices, ethical and moral beliefs or practices unless doing so would impose an undue hardship on the Company. A reasonable religious accommodation may be an adjustment to the work environment that allows employees to practice their religious or sincerely held ethical or moral beliefs. The Company will not tolerate discrimination, harassment or bullying of an employee based on an employee's religion or religious practices.

Any employee who desires a reasonable accommodation because of his or her religious beliefs or practices should submit a written request to the Human Resources department. The employee's request should include relevant information, such as a description of the accommodation requested, the reason an accommodation is needed and how the accommodation will help resolve the conflict between the employee's religious beliefs and practices and work requirements. After receiving the employee's request, the Company will engage in an interactive process to explore potential accommodations that could address the employee's religious beliefs and practices and the employee's work requirements. The Company will endeavor to resolve all accommodation requests in as prompt a manner as possible.

Employees will not be retaliated against for requesting an accommodation in good faith. The Company expressly prohibits any form of discipline, reprisal, intimidation or retaliation against any individual for requesting an accommodation in good faith. Employees must review and abide by the Company's Anti-Discrimination and Anti-Harassment Policy located in the "Policy Manual."

## **2.4 Maternity Accommodations**

The Company considers it important for employees to maintain a good work-life balance. As set forth elsewhere in this handbook and the referenced policies, the Company provides several benefits to employees who are expecting children or who have recently given birth or adopted. In addition to the benefits set forth elsewhere, the Company will provide reasonable accommodations to any employee who requires an accommodation as a result of the employee being pregnant, unless doing so would impose an undue hardship on the Company.

Any employee who desires such an accommodation should submit a written request to the Human Resources department. The employee's request should describe the accommodation requested. After receiving the employee's request, the Company will confer with the employee and work to provide a reasonable accommodation that would address the employee's needs. The Company will endeavor to resolve all accommodation requests in as prompt a manner as possible.

Employees will not be retaliated against for requesting an accommodation in good faith. The Company expressly prohibits any form of discipline, reprisal, intimidation or retaliation against any employee for requesting an accommodation in good faith. Employees must review and abide by any relevant Company policy located in the "Policy Manual" or in this handbook.

## **2.5 Employees with Disabilities**

The Company is committed to complying fully with all Federal, State and local laws concerning the employment of qualified persons with disabilities. A qualified individual with a disability is one who meets the skill, experience, education or other employment requirements for the job being sought or held and can perform the essential functions of the job held or desired, with or without a reasonable accommodation.

The Company prohibits discrimination against qualified individuals who have or who are perceived as having a disability with respect to selection and hiring, advancement, termination, compensation, training, job assignments, classifications, organizational structures, position descriptions, or other terms, conditions and privileges of employment. Further, it is the Company's policy to reasonably accommodate qualified individuals with a disability so that they can perform the essential functions of a job, unless doing so would pose an undue hardship or pose a risk of safety to themselves or other employees.

Any employee who desires a reasonable accommodation to perform the essential functions of his or her job must submit a written request to the Human Resources department. The employee's request should include relevant information, such as a description of the accommodation requested, the reason an accommodation is needed and how the accommodation will help the employee perform the essential function of the job. After receiving an employee's request, the Company will engage in an interactive dialogue with the employee to determine the precise limitations of his or her disability and explore reasonable accommodations that could overcome those limitations. Medical documentation and/or a medical examination by a physician or other evaluation may be required. The Company will endeavor to resolve all accommodation requests in as prompt a manner as possible.

The Genetic Information Nondiscrimination Act of 2008 ("GINA") prohibits employers from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with GINA, we are asking that employees not provide any genetic information when responding to any request for medical information. "Genetic information," as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

Employees will not be retaliated against for requesting an accommodation in good faith. The Company expressly prohibits any form of discipline, reprisal, intimidation or retaliation against any employee for requesting an accommodation in good faith. Employees must review and abide by the Company's Anti-Discrimination and Anti-Harassment Policy located in the "Policy Manual."

## **2.6 Immigration Compliance**

In compliance with the Federal Immigration Reform and Control Act of 1986, as amended, and any State law requirements, if applicable, the Company is committed to employing only individuals who are authorized to work in the United States. Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present acceptable documentation establishing identity and employment eligibility. If an employee is authorized to work in this country for a limited time, the individual will be required to submit proof of renewed employment eligibility prior to expiration of that period to remain employed by the Company.

## **2.7 Introductory Period**

Each employee will be required to complete an introductory period lasting 90 days. The 90-day period begins with the first day of work. After completion of the introductory period, the initial employment date will govern eligible benefits or privileges of employment, subject to the terms of each relevant plan or other policies. Completion of the introductory period does not guarantee employment for any particular amount of time, and at all times employees remain employed “at will.”

## **2.8 Drug and Alcohol Policy**

The Company is committed to protecting the safety, health and well-being of all employees and assuring that work quality and work efficiency is maintained at the highest level attainable. A Drug and Alcohol program is established that balances respect for individuals with the need to maintain an environment free from alcohol and illegal drugs. Employee involvement with alcohol, intoxicants and illegal drugs can be very disruptive, can adversely affect the quality of work and performance of employees, can pose serious health and safety risks to users and others and can have a negative impact on productivity and morale.

For these reasons, the Company has a Drug and Alcohol Policy located in the “Policy Manual.” That Policy also addresses the circumstances under which employees may be drug tested. Employees must review and abide by the Drug and Alcohol Policy.

## **2.9 Workplace Violence Policy**

The Company strives to maintain for its employees, contractors and guests, a safe and healthy working environment. The Company will not tolerate, and will take disciplinary action against, any act of violence (either verbal or physical) committed by or against its employees, contractors or guests.

The Company has in place a Workplace Violence Policy and Procedure located in the “Policy Manual.” Employees must review and abide by the Workplace Violence Policy and Procedure.

## **2.10 Anti-Discrimination and Anti-Harassment Policy**

It is the Company's Policy to provide an environment free of unlawful discrimination, bullying and harassment. All employees have a responsibility to keep the workplace free of any form of harassment, including harassment that is based on an individual's sex (including pregnancy, child birth, breastfeeding and related medical conditions,) sexual orientation, gender identity and expression, race, color, religion, age, national origin, genetic information, marital status, disabilities, military status or any other status protected by Federal, State or local law. It is a violation of the Company's Policy for any employee to unlawfully harass, bully or discriminate against another employee through conduct or communication at any time, including non-working times. Upon hire, each new employee, at the time of orientation, must read the Company's Anti-Discrimination and Anti-Harassment Policy located in the "Policy Manual." Employees must review and abide by the Anti-Discrimination and Anti-Harassment Policy.

## **2.11 Complaint Procedure Relating to Harassment, Discrimination, Retaliation or Similar Misconduct**

Any employee who believes that he or she has been a victim of unlawful harassment, bullying or discrimination, or who has observed unlawful harassment, bullying or discrimination of another employee, customer, contractor or vendor, should report it to their immediate Supervisor, the Human Resources department or any other member of Management. If the subject of the complaint is the immediate Supervisor, the employee may make the complaint directly to the Human Resources department or another member of Management who is not the subject of the complaint. If the subject of the complaint is one of these members of Management, or if the employee does not feel comfortable taking the complaint to a particular member of Management, the employee may make the complaint directly to a different member of Management described above.

Any Supervisor who becomes aware of possible unlawful harassment must promptly advise the Human Resources department.

All complaints and reports will be promptly and thoroughly investigated in a timely manner. Employees submitting complaints may be asked to provide a signed statement setting forth the nature of the complaint. Information provided may be subject to confidentiality, depending on the nature of the complaint, except to the extent necessary to proceed with the investigation or inform legal authorities. Employees should immediately report any coercion, intimidation, retaliation, interference or discrimination as a result of filing a complaint or cooperating in a related investigation. No one will be subject to, and the Company prohibits, any form of discipline, reprisal, intimidation or retaliation for good faith reporting of harassment of any kind, pursuing a harassment claim or cooperating in a related investigation. Allegations of this type are very serious. Intentionally false allegations are prohibited and may give rise to discipline. Employees are encouraged to use this complaint procedure.

As set forth further in the Anti-Discrimination and Anti-Harassment Policy, any employee found to have discriminated against, harassed (including bullying) or retaliated against another employee will be subject to appropriate disciplinary action, up to and including termination.

## **2.12 Personal Telephone and Cell Phone Call Usage**

Incoming or outgoing personal telephone calls for or by employees on the Company's telephone system will only be permitted in the case of an emergency. Personal cellular phones may not be used during work hours unless approved by the employee's Supervisor. Cell phone use during work time is both a productivity and safety issue. Use contrary to this policy may lead to disciplinary action up to and including termination.

The above portions of the Personal Telephone and Cell Phone Call Usage policy do not apply to employees who must use cellular phones in order to perform their job duties. Those employees must refrain from excessive personal calls, text messaging, IM Messaging and e-mails during work time.

All employees must refrain, when they are driving on Company business and/or operating a Company vehicle, from text messaging, using a cellular phone by hand or otherwise using a cellular phone in a potentially distracting way. Employees may use Bluetooth or other accessories which allow for hands-free operation of cellular phones, in a way that does not require the employee to view the phone screen while driving in a potentially distracting way and where use of such devices is allowed by applicable law.

The Company reserves the right to obtain reimbursement for the cost of long-distance personal telephone calls by employees. The Company will make arrangements with employees who must use cellular phones to perform their job duties.

Please note that other Company policies address related matters including, but not limited to, the Electronic Information and Acceptable Use Policy.

## **2.13 Electronic Information and Acceptable Use Policy**

The Company has a Policy which establishes guidelines for the appropriate use of and access to Company Systems. Company Systems include, but are not limited to: electronic equipment, electronic information and electronic messages. This Policy includes guidelines for use on both Company and personal devices, including appropriate social media and other use, as described further within the Policy.

The Electronic Information and Acceptable Use Policy is located in the "Policy Manual" and applies to all employees, contractors, vendors, consultants and any other individual using the Company's "System" or equipment as defined in that Policy. Employees must read and abide by the Electronic Information and Acceptable Use Policy.

## **2.14 Confidential Information Policy**

Through employment with the Company, employees may have access to confidential information and trade secrets belonging to the Company or other individuals or business entities who have entrusted confidential information or trade secrets to the Company.

The Company has established a Confidential Information Policy located in the “Policy Manual.” Employees must read and abide by the Confidential Information Policy. This Policy supplements, rather than supersedes, the Confidential Information Agreements that employees enter into with the Company.

### ***Confidential Information for Visitors, Guests and Contractors***

Visitors, contractors or guests touring or visiting the Company shall abide by all confidentiality requirements of the Company. Depending on the nature of the visitor’s business, they may be required to sign a “Non-Disclosure Agreement” and return it to the Company. Failure to do so could result in the visitor, guest or contractor (or companies) not being permitted onto Company property or doing business with the Company. Employees of the Company who host a visitor, contractor or guest for any nature of business shall ensure the appropriate forms are completed and filed and shall always protect the best interest of the Company. For questions concerning these procedures, contact the Human Resources department.

## **2.15 Solicitations, Distributions and Posting of Materials Policy**

The Company has established a Policy that prohibits the solicitation, distribution and posting of materials on Company property by employees or non-employees, unless for a charitable activity approved in writing by the Company, as described further in that Policy. The full Policy is located in the “Policy Manual.” Employees must read and abide by the Solicitations, Distribution and Posting of Materials Policy.

## **2.16 Anti-Corruption Policy**

The Company prides itself on ethical behavior, practices and integrity both with its employees and while conducting business. All employees of the Company are expected to conduct themselves in a manner of professionalism and avoid corruption in any form, including bribery.

The Company has a Foreign Corrupt Practices Act (FCPA) Anti-Corruption Policy that provides guidance on how to conduct business in an ethical and fair manner and how to maintain compliance with anti-corruption laws and regulations. The full Policy is located in the “Policy Manual.” Employees must read and abide by the Foreign Corrupt Practices Act (FCPA) Anti-Corruption Policy.

## **2.17 Whistleblower Policy**

The Company and its employees must maintain the highest level of integrity and ethical behavior and operations. The Whistleblower Policy, located in the “Policy Manual,” was established as a formal means of reporting (without retaliation) illegal activity, dishonest and fraudulent or unethical behavior as it relates to regulations and laws governing the Company. Employees must read and abide by the Whistleblower Policy.

## **2.18 General Rules of Conduct**

Rules are necessary for any business to operate in an orderly and efficient manner and to protect employees who are expected to comply with them. An employee's failure to comply with these General Rules of Conduct may result in appropriate disciplinary action up to and including immediate termination. Management reserves the right to skip, repeat or modify discipline imposed at its discretion. Although guidelines for discipline have been established, the employment relationship between the Company and employees remains "at-will," under which either party may terminate the employment relationship for any reason at any time, and neither the guidelines established here, nor any disciplinary form or document (other than an agreement expressly providing otherwise and signed by the employee and the President,) shall modify the "at-will" status.

**THE FOLLOWING RULES ARE NOT INTENDED TO BE ALL-INCLUSIVE OF THE PROPER STANDARDS OF CONDUCT OR OBLIGATIONS OF EMPLOYEES WHICH EMPLOYEES MUST OBSERVE AT ALL TIMES. THE COMPANY SHALL, WHEN IT DEEMS IT APPROPRIATE, ESTABLISH ADDITIONAL RULES WITH WHICH EMPLOYEES MUST COMPLY.**

The following are examples of conduct not permitted in any way regarding employment:

1. Violation of any employment policy including, but not limited to, those in this handbook or the Policy Manual (including, but not limited to, the examples below.)
2. Being insubordinate, discriminatory, threatening, harassing, intimidating or using profane, obscene or similarly inappropriate language.
3. Negligence or carelessness that results or could be expected to result in injury, property damage, loss of time or money to the Company.
4. Intentionally damaging or defacing Company property or equipment.
5. Failure to observe Company safety rules and/or practices, such as, smoking in designated "non-smoking areas," removal of machine guarding, failure to wear required safety equipment, etc.
6. Violating the Drug and Alcohol Policy including but not limited to: possessing, consuming or selling on Company premises or during work time or by reporting to work under the influence of, narcotics, hallucinogens, other controlled substances or other drugs not prescribed by the employee's medical doctor.
7. Violating the Workplace Violence Policy and Procedure, including transporting, possessing or using explosives, firearms or "deadly weapons" (any weapon which is used or is intended to be used to cause serious bodily injury or death) in Company buildings.
8. Violating the Personal Telephone and Cell Phone Call Usage Policy or the Electronic Information and Acceptable Use Policy.
9. Failure to maintain work area, restrooms or lunch areas in a neat, clean, sanitary manner.
10. Theft of Company time or unauthorized removal of Company material or property or the property of other employees.
11. Gambling on Company property.
12. Fighting, scuffling or similar disorderly conduct (including horseplay) on Company property or otherwise relating to employment.
13. Intimidation or interference with employees' tools, machine(s), work station, material work-in-progress or another employee's property or Company property.

14. Excessive absence or tardiness, as described further in the “Unexcused Absences” section of this handbook.
15. Sleeping on the job.
16. Making intentionally false or malicious statements concerning the Company, Company product(s) or the Company’s statements at any time (on or off work) and by any means (including social media.)
17. Being away from work station without Supervisor’s authorization or failure to be at work station at starting time, including after breaks.
18. Inefficiency in the performance of duties or failure to follow prescribed job procedures.
19. Failure to meet production requirements.
20. Falsification or misrepresentation on the employment application or any employee-related documentation.
21. Failure to report work-connected injuries or accidents, refusal to cooperate in treatment of injury, illness or completion of necessary reports, as described further in the applicable policies.
22. Failure to observe parking lot rules and regulations.
23. Shift changes with other employees without Supervisor’s authorization.
24. Taking or using another employee’s badge, falsifying or altering any Company document.
25. Entering Company property by other than authorized employee entrances. Employees are not permitted on Company property past the reception area without authorization except during their scheduled hours of work.
26. Failure to comply with Company security requirements such as: failure to identify oneself as required at any time or to permit inspection of items being carried on and off the property, including, if requested, periodic spot checks of lunch boxes, handbags and/or packages.
27. Failure to comply in a timely manner with Company request to verify a medical or physical condition as described further in the applicable policies.
28. Dress that is inappropriate for work such as sexually revealing or distracting clothing, accessories or clothing which fails to provide sufficient protection from job elements or in any way endangers the employee or other employees.
29. Non-compliance with any Federal, State or local law or regulation connected with the employee’s employment or any program or service provided by the Company.

These rules are not intended to apply to activities protected by law, including the National Labor Relations Act.



## **2.19 Disciplinary Warnings**

Keep in mind that the Company considers all employees to be among its most valuable assets. Warnings may be given to employees for the constructive purpose of letting them know that they have failed to abide by the guidelines set forth in this handbook or other Company policies and that their behavior should change so that more drastic action, up to and including termination, does not become necessary.

If an employee violates a policy and receives a warning, it should be viewed as an opportunity to modify unacceptable behavior to preserve employment.

Although guidelines for discipline have been established, Management reserves the right to skip, repeat or modify discipline at its discretion based upon the seriousness of the employee's actions or behavior. If an employee's actions or behavior is considered by the Company to be very serious, the employee may be suspended or terminated without first receiving a warning.

## **2.20 Conflict of Interest Policy**

The Company has established a Conflict of Interest Policy to set the highest standards of ethics for all employees. The Conflict of Interest Policy, located in the "Policy Manual," sets guidelines for all employees to avoid possible conflicts with their duties and responsibilities to the Company. Violations of this Policy may lead to disciplinary action up to and including termination. Employees must read and abide by the Conflict of Interest Policy.

## **2.21 Work Clothing and Accessories**

Employees contribute to the general image and reputation of the Company in the way they present themselves while at work. Employees are representing the Company. Good grooming and appropriate dress are essential to a favorable impression with customers and visitors.

The following are appropriate and acceptable for employees serving in hourly manufacturing positions:

- Shorts or pants free of large/multiple holes/tears
- Short sleeve T-shirts, T-shirts with cut-off sleeves (no cut out sides) or tank tops with wide straps- Any messages on a shirt must be appropriate for the workplace
- Clothing that is not excessively revealing, tight or distracting and that covers all undergarments
- Footwear that meets the requirements for footwear located in the Personal Protective Equipment Policy located in the "Policy Manual"

Bracelets, dangly earrings, other jewelry or loose fitting clothing can be hazardous in a manufacturing environment and are deemed not appropriate.

For employees in other positions, please consult with a Supervisor if there is uncertainty what attire is appropriate.

Employees who do not meet the criteria for proper dress may be sent home to change and may be subject to discipline up to and including termination.

## **2.22 Company Security**

Due to the proprietary and confidential nature of manufacturing processes and the potential for invasion of privacy, sexual or other harassment (as defined by the Company's policies,) employees may not take, distribute or post pictures, videos or audio recordings while at the workplace or on working time. An exception to this rule concerning pictures and recordings of work areas would be to engage in activity protected by the National Labor Relations Act, such as taking of pictures relating to health and safety.

For security reasons, the Company may utilize cameras on Company premises outside or inside the buildings in areas other than restrooms. Employees should not have an expectation of privacy on Company premises or while performing their jobs.

Company security is necessary to protect equipment and inventory, as well as to attempt to protect employees from physical harm. Security forces are on duty 24 hours per day, 365 days per year on Company property to maintain a secure facility and properties and for employee safety.

All employees will be issued an identification badge and/or a key fob or other means of building access for any Company property at which they work such as physical keys, etc. It is the employee's responsibility to maintain control of this property at all times. Duplication or sharing of these items is strictly prohibited and will result in disciplinary action. Employees will be issued one replacement key fob or badge free of charge, after that, there may be a replacement charge.

Property lost or stolen should be reported to the Human Resources department immediately.

Employees are permitted on Company property only when scheduled to work. Employees should not arrive on Company property more than 15 minutes prior to the start of their shift or arrive at their actual work area more than 5 minutes prior to their scheduled shift start. Employees should not remain more than 5 minutes beyond their work shift. Employees are not permitted to visit in other departments that are working or distract other employees at work.

Off duty employees should only be on the premises if they have authorized business with the Company and must be cleared by and enter through the reception area before entering the facility.

Employees are required to cooperate with Company security officials in allowing packages or personal belongings to be inspected upon entering and exiting Company property or at any time during work hours. Employees do not have a privacy right regarding any items brought onto Company property.

An Authorization sheet is required for scrap removal, tool loan, product removal, possessing any Company property, or performance of personal work or for use of Company tools or equipment. Authorization sheets can be obtained by request from department Supervisors.

To provide for the safety and security of everyone, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, promote the security of equipment, safeguard employee welfare and avoid potential distractions. Employees should immediately notify their Supervisor or a member of Management if they observe an unauthorized visitor on the Company's property.

Visitors (including former employees who have resigned or retired) must obtain authorization from a departmental Supervisor and must enter the facility at the reception area. Authorized visitors must wear a visitor identification badge and will be escorted to their destination. Employees are responsible for the conduct and safety of their visitors. Terminated employees are not permitted on Company property unless approval and notification from the Human Resources department is given in advance.

### **2.23 Parking Lot Regulations**

The Company provides free parking in its parking areas for employees. Employees may use Company parking lots at their own risk. The Company will not accept liability for accidents, injuries or loss occurring in its parking areas that are not due to the Company's negligence. The Company requires employees to comply with the following parking lot regulations.

1. Keep on the blacktop or designated parking areas at all times.
2. Speed limit-10 miles per hour.
3. Cars must be parked nose into the spaces and must be between the painted lines.
4. No parking in front of any loading or unloading doors.
5. No parking in reserved spaces.
6. Parking passes must be visible in window or on rearview mirror.
7. Other rules communicated to employees.

### **2.24 Safety in the Workplace**

The Company is committed to providing a safe and healthy work place free from recognized hazards and compliant with all environmental, health and safety regulations. The main objective of the Company safety policies is to reduce or eliminate hazards that have the potential to cause injury to employees, contractors and visitors. Additionally, it is the goal of the Company to return an injured employee to their pre-injury duties as quickly as possible to minimize wage loss. These goals can only be accomplished through teamwork. It is the responsibility of everyone to follow all Company policies, work safe and report unsafe conditions. Employees will not be retaliated against for reporting injuries or safety hazards.

Each employee is responsible to take the following precautions:

- Continuously be aware of work hazards, wear personal protective equipment (PPE) appropriately and observe Company safety practices.
- Report as soon as possible all injuries, work-related illnesses, accidents involving property damage, near-miss incidents, regardless of severity, to a Supervisor or to the Human Resources department. In order to submit a report, use an incident investigation report form which is available from any Supervisor or the Occupational Health Nurse. (However, if the matter at issue is an emergency or time-sensitive, employees may submit a verbal report first and then submit an incident investigation report as soon as reasonably possible thereafter.) This is important to permit prompt and timely treatment. Early reporting also allows investigations and corrective actions to be taken to prevent recurrence of injuries.

- Report observed unsafe practices or conditions immediately to a Supervisor or to the EHS Supervisor to permit immediate action which may prevent a workplace injury or near-miss incident.
- Use, adjust, and repair machines and equipment only if the employee is trained, qualified and authorized.
- Do not operate faulty and/or unsafe machines or equipment. Immediately report any issues with equipment or machinery that may make them unsafe.
- Follow all safety policies and procedures, including but not limited to: PPE, footwear, and hair policies.
- Removing, disabling or altering any safety device is strictly prohibited and may result in immediate termination.
- Understand the job or task at hand fully, follow instructions and be familiar with all applicable Safety Data Sheets (SDS.) If an employee is uncertain of the safe operation or procedure, speak with the Supervisor and do not continue until the job or task can be done safely.
- Know the locations, contents and proper use of first aid, eyewash stations, fire extinguishers and other safety equipment.
- Know emergency egress routes and exits in respective areas. Know assigned assembly point outside the facility during an evacuation.

The Company maintains several safety programs and procedures that cover topics including but not limited to: Hazard Communication, Lockout/Tagout (LOTO,) Fire Prevention, Evacuation, Blood Borne Pathogens, Fall Protection, and Electrical Safety. Employees will be trained on all required and department-specific programs and procedures upon initial orientation to the Company or department, with periodic refresher training following. These programs are available to employees at any time and can be viewed within each employee's respective department. Any questions regarding any of these safety programs should be presented to a Supervisor.

Please note that other Company policies address related matters including, but not limited to, the Workplace Violence Policy and Procedures, and the Personal Protective Equipment Policy.

A violation of any safety policy may lead to disciplinary action up to and including termination.

### ***Medical Treatment for Work Related Injuries or Illnesses***

The Company wishes to ensure that when an injury occurs, no matter how slight, proper and necessary medical attention is received.

In certain situations with regard to work-related injuries, the Company's workers' compensation coverage may require an employee to obtain treatment from a professional selected from the panel of designated physicians which is posted throughout the facilities. Employees must comply with all lawful requirements imposed by the Company's workers' compensation coverage.

## **2.25 Modified Duty Policy**

The Company recognizes that, when an employee is injured on or off the job or has a serious illness that takes them away from work, it is in everyone's best interest for the employee to return to work as quickly as possible. The Company offers a Modified Duty program in certain situations, pursuant to that specific Policy. Employees must read and abide by the Company's Modified Duty Policy located in the "Policy Manual."

## **2.26 Bulletin Boards**

Bulletin Boards are an important communication method for Management to provide employees with information. Employees are expected to check the bulletin boards routinely for new postings that may be relevant to them. In addition, the Company utilizes electronic means, such as e-mail, for communicating postings and other important information.

The Solicitations, Distributions, and Posting of Materials Policy addresses these matters in more detail. All postings to the bulletin board will be managed exclusively by members of the Human Resources department. Employees must read and abide by the Company's Solicitations, Distributions, and Posting of Materials Policy located in the "Policy Manual."

## **2.27 Outside Employment**

The Company hopes that it will not be necessary for employees to seek additional outside employment. However, if an employee accepts employment with another company, they must ensure that such outside employment (1) does not conflict with responsibilities with the Company, including the ability to work overtime as required in the existing position, (2) does not interfere with performance at the Company, (3) does not involve a conflict of interest or the appearance of a conflict of interest (such as working for a competitor, vendor, or customer,) and (4) does not cause a violation of the Confidential Information Policy, any other Company policy or a Confidential Information Agreement. If outside employment does not meet these criteria, the employee will be asked to choose which job they wish to keep. Refusal may result in termination.

## **2.28 Personal Radios and Heating/Cooling Equipment**

Radios are permitted as long as the volume is controlled and they do not become an annoyance that interferes with work. Battery powered radios are preferred so that additional electrical load is not created. Employees are reminded to refer to the Company's Personal Protective Equipment Program for approved use of earbuds and headphones where appropriate.

The use of electric fans or heaters or other personal electrical devices are prohibited for the obvious danger of overloading the electrical system, as well as the fact that most fan-operated heating and cooling equipment have poor fan blade guarding, light capacity electrical circuitry and, in general, do not meet industrial requirements.

## **SECTION 3: ATTENDANCE, WORKING HOURS AND LEAVE**

### **3.1 Overview of Attendance Policy**

Regular and punctual attendance is an essential element of every position in the Company. Each employee is hired by the Company to perform an important job. When work is missed, the Company must spend time and resources to find a replacement who in most cases does not know how to perform the job as well; therefore, department efficiency suffers. It behooves each employee to come to work each day on time ready to work (with the understanding that, as explained below, employees are entitled to leave in certain situations.)

The Company is aware that employees have occasional illness or other situations which may require absence and tardiness. In order to balance these interests, the Company provides employees with several forms of leave, while also complying with all applicable laws, as described further below. Employees should strive to schedule routine personal appointments, such as car repair or annual physicals, during their off hours. As set forth further below, when employees are absent or tardy without having available leave, or without following the Company's lawful policies, they may be subject to discipline, up to and including termination.

### **3.2 Hours of Work and Overtime**

#### **3.2.1 Work Week**

The work schedule is dependent upon an employee's position and shift assignment. For most hourly employees, the standard shift is 8 hours a day, five days per week for a total of 40 hours worked.

During periods of high activity or in emergency situations, an employee may be asked to work extra hours or stay past their normal end of shift, or may be asked to alter their shift to accommodate business or Company demands. Employees are expected to work overtime as required by the Company. The Company does not guarantee a minimum or maximum number of hours per shift or per week.

#### **3.2.2 Time and Record Keeping**

Unless the Company has expressly classified the employee as exempt, it is the obligation of each employee to maintain accurate time and work records on the time and attendance system. This rule applies to all hourly manufacturing employees. The Company also has a legal obligation to maintain accurate records regarding time worked. Consequently, each hourly manufacturing employee is required to swipe in and out at the beginning and end of their shift and for any lunch breaks (if they leave the property.) Employees are not permitted under any circumstance to swipe another employee's badge. Employees are permitted to swipe in up to fifteen (15) minutes prior to their scheduled start time but are not permitted to perform work, and will not be paid, until their scheduled start time. Likewise, employees should not swipe out until they are entirely done with their work for the day. Failure to obey these requirements violates the Company's policies and may result in disciplinary action up to and including termination.

Unless the Company has expressly classified the employee as exempt, an employee will be paid based upon the recorded time of their swipe. This rule applies to all hourly manufacturing employees. Employees who swipe in at any time after their scheduled starting time will be considered to be tardy. Employees are not permitted to perform work after their scheduled end time and must swipe out within five (5) minutes after their scheduled end time. Employees beginning work prior to their scheduled start time or continuing to work after their scheduled end time, unless authorized by their Supervisor, may be subject to discipline up to and including termination.

### **3.2.3 Paid Breaks**

Except where expressly noted, breaks are not required by any law but are voluntarily provided by the Company. Employees will be given paid breaks during their scheduled shifts. Breaks may be varied (staggered) by the Company as required to efficiently use vending equipment and other facilities and to suit particular operating cycles. This time is given to the employee so that they may take care of personal matters and get away from the job for a brief period. Travel time to and from the employee's workstation must be within the scheduled break time. Employees on break are not permitted to visit in other departments that are working or distract other employees at work. Employees are not permitted to leave the premises at break time. For various reasons, there may be times when a department is required to work a straight eight (8) hour shift. During these times employees will take a twenty (20) minute paid break mid-shift with no additional scheduled breaks. Employees working a straight eight (8) hour shift are not permitted to leave the premises.

### **3.2.4 Lunch Breaks**

Employees are permitted to leave the property during lunch breaks provided they are not working a straight eight (8) hour shift. Unless the Company has expressly classified the employee as salaried and exempt, a lunch break will be unpaid, and the employee must clock out and clock back in upon return; this rule applies to all hourly employees leaving the property. Employees working a straight eight (8) hour shift are not permitted to leave the property.

## **3.3 Attendance Policy**

The purpose of an Attendance policy is to promote good attendance, recognize high levels of attendance, outline procedures to report absences and issue disciplinary action where necessary. It is the employee's responsibility to report to work on all scheduled workdays and work the scheduled hours. Employees who are going to be absent for a full or partial work day must notify their Supervisor as far in advance as possible.

If an employee believes that they are missing work because of a disability, FMLA-qualifying reason, or other reason that is protected by law (such as military training, jury duty or the like,) they must notify the Human Resources department. If an absence is caused by a personal medical condition or a medical condition of another family member, the employee may be eligible for Family and Medical Leave. The Company reserves the right to request documentation that the absence was based on a legally-protected right to leave. Please refer to the Family and Medical Leave Act Policy in the "Policy Manual" to determine eligibility or contact the Human Resources department for a leave request form.

Absences will be considered authorized if the employee requested the time off in accordance with the Company's policies on time off, received the required approval for the absence and has sufficient earned, but unused time to cover the absence.

***Authorized Absences (paid time off)***

Company-provided benefits, with paid time off, in the following circumstances:

- Approved vacation time, provided minimum advance notice is given according to policy
- Holidays
- Bereavement
- Jury Duty
- Short Term Disability

***Authorized Absences (unpaid time off)***

- Five (5) days of excused medical absences (not related to a disability, FMLA, or other protected leave,) per calendar year, used in half (1/2) day or full day increments (timely medical verification required)
- Approved three (3) days unpaid personal time, per calendar year, used in half (1/2) or full day increments
- Military Leave
- Company approved Family and Medical Leave Act (FMLA,) Medical, or Personal Leave of Absence
- Subpoena as a witness (documentation required)

***Authorized Absences***

- Workers' Compensation established illness or injury
- Workers' Compensation hearing

Absences not mentioned in this policy may be authorized in accordance with applicable State laws based on eligibility.

Absences, authorized or unauthorized, are recognized in 1/2 or full day increments, except for FMLA leave which is recognized in 1/4 hour increments.

Note: Any authorized absence days (except for FMLA) are not cumulative from year to year. Therefore, any unused days from one calendar year will not carry over to the following year.

The Company reserves the right to discipline employees for unauthorized absences. Discipline may include counsel, verbal and/or written warnings, suspension or termination of employment, in the Company's discretion.



The following is established as a general guideline to handling unauthorized absenteeism and tardiness. The Company reserves the right to skip, repeat or modify these disciplinary measures at its discretion.

Unauthorized Absence Table	
Assessment Category & Definition	Occurrence Value (points)
<b>Type A occurrence - Tardy, early out or mid-day absence <u>less than</u> ½ of scheduled shift</b>	<b>0.5</b>
<b>Type B occurrence - Tardy, early out, or mid-day absence <u>greater than</u> ½ of scheduled shift</b>	<b>1</b>
<b>Unscheduled Absence - Not reporting to work for scheduled shift</b>	<b>1</b>
Occurrence Value	Corrective Action
2	Verbal warning noted in employment file
4	1 <sup>st</sup> Written Warning
6	2 <sup>nd</sup> Written Warning
7	Final Written Warning with possible suspension
8	Possible termination of employment

As set forth below, employees may be subject to discipline for other attendance-related violations.

### 3.4 Procedures for Reporting Off

If employees will be late for or miss work because of an emergency or other unexpected circumstances, and have not already received approval from the Company, they are required to call the absentee line at (814) 368-2971 within the first hour of the work shift and report the absence. The absentee is required to give:

1. Name
2. Department Number
3. Supervisor
4. Clock Number
5. Reason for Absence
6. Expected Return Date

Employees must call the absentee line to report all absences except pre-approved vacation/personal days or other pre-approved leave. In other words, the employee must follow this procedure for each and every day the employee will be absent or tardy (unless the Company has already affirmatively approved the employee to be late or absent for the date at issue.)

An employee who fails to report to work for 3 consecutive days without notification will be deemed to have voluntarily resigned. The date of resignation will be the day following the last date worked. Additionally, an employee may be subject to discipline, up to and including termination, if the employee otherwise violates the Company's attendance-related policies and procedures as referenced in this handbook.

### **3.5 Personal Leave Days**

Each employee is provided up to three (3) unpaid personal leave days per calendar year, starting on January 1 of each year. Personal leave days taken in accordance with Company policy will count as excused absences.

These personal leave days are made available to employees as a benefit from the Company so that they may take care of matters of a personal nature which require the employee to be away from work during scheduled work times.

Requests for personal days are subject to approval by the employee's Supervisor and conditions existing at the time in the respective department. In addition, conditions that must be met include:

- Personal days are not to be used to extend holidays.
- Personal days should be scheduled as far in advance as possible. The more notice given to the Supervisor the better to allow time for rescheduling and coverage for an employee's absence. Employees are encouraged to give at least 24 hours advance notice. Emergency situations will also be considered. If an absence causes a disruption of production in a department and a suitable replacement cannot be found, the employee may be asked to adjust plans until a more suitable time. High personal absences in a department on a particular day could result in some employees being asked to reschedule a personal day off. Such rescheduling will be in order of plant seniority. Management will have discretion on approving/disapproving personal days.
- Personal days are not cumulative from year to year. Therefore, any unused days from one calendar year will not carry over to the following year.

Personal leave must be taken in either half (1/2) day or full day increments.

### 3.6 Vacation Leave

The Company also provides employees with vacation from work. Vacation leave, taken in accordance with Company policies, shall be paid.

#### ***Earning of Vacation for Full-Time Employees***

Full-time employees who have completed their applicable introductory period of service are eligible to earn vacation based on their years of service, beginning on January 1 of the first full calendar year of service. Full-time employees earn vacation pro rata at a rate of one-twelfth of the employee's yearly earned eligibility each month but may be able to "borrow" against vacation hours to be earned later in the calendar year after it is taken. Unless otherwise indicated by the Company, full-time employees earn vacation as follows:

<b>Years of Service (in year taken)</b>	<b>Eligible Vacation Hours Earned</b>
<b>1 – 4 years</b>	<b>40 Hours</b>
<b>5 – 9 years</b>	<b>80 Hours</b>
<b>10 – 14 years</b>	<b>120 Hours</b>
<b>15 – 19 years</b>	<b>160 Hours</b>
<b>20 – 24 years</b>	<b>168 Hours</b>
<b>25 – 29 years</b>	<b>176 Hours</b>
<b>30 or more years</b>	<b>184 Hours</b>

#### ***Earning of Vacation for First Year of Employment***

Vacation eligibility for employees during the first calendar year of employment is based upon the month in which they are hired after completing their 90-day orientation period. Vacation eligibility for the month hired is as follows:

<b><u>Month of Hire</u></b>	<b><u>Total Vacation (First Calendar Year)</u></b>
January, February, March	40 Hours
April	32 Hours
May, June	24 Hours
July, August, September	16 Hours
October	8 Hours
November, December	0 Hours

### ***Earning of Vacation for Part-Time Employees***

Part-time employees may be eligible to earn vacation in proportion to the number of hours they are scheduled to work. Like full-time employees, part-time employees are eligible to begin earning vacation after one calendar year of service and should contact the Human Resources department for eligibility.

### ***Request for Vacation***

All employees are encouraged to take their earned vacation each calendar year. Employees must request vacation from their Supervisor as far in advance as possible. The Company prefers at least 24 hours advance notice to allow time for rescheduling and coverage for an employee's absence; however, emergency situations will also be considered. The Company generally will grant requests for vacation, when possible, taking business needs into consideration. When multiple employees request the same time off, their length of employment and position may determine priority in scheduling vacation times. Management will have discretion in approving/disapproving vacation leave. Additionally, employees should not expect to receive an exception to the 24-hour notice expectation if the employee has received a first written warning, performance improvement plan, or higher level of discipline or counseling, for any attendance-related issue over the last six months. If an employee takes vacation leave without satisfying the notice expectation or receiving an exception, the employee will be treated as incurring an unexcused absence.

Employees who are subject to annual shutdowns are generally expected to take vacation hours during the shutdown.

In the event of an emergency or business necessity, the Company may require an employee to work during scheduled vacation, in which case the Company may offer accommodations to the employee, including the option to reschedule their vacation at a time satisfactory to the employee and the Company.

### ***No Carryover***

Employees are required to schedule and use earned vacation throughout the calendar year and in accordance with this Policy. In the event business demands do not allow an employee to use all earned vacation, remaining vacation may be paid out at the end of the calendar year. Employees may not carry over earned and unused vacation.

### ***Termination of Employment***

On termination of employment for any reason, employees will be paid for any earned but unused vacation at the employee's final rate of pay, except if an employee resigns with less than two weeks' notice. If an employee leaves the Company before earning all vacation already taken, the employee may be required to reimburse the Company for unearned vacation that was used (including potentially final paycheck.)

### **3.7 Holidays**

The Company provides eleven (11) paid holidays per calendar year for all eligible employees.

#### ***Holidays***

- New Year's Day
- Day before or day after New Year's Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Friday after Thanksgiving
- Christmas Day
- Day before or day after Christmas
- One (1) additional holiday (which the Company will announce to employees)

The Company will announce holidays in advance and reserves the right to change these holidays according to business needs.

#### ***Eligibility for Paid Holidays***

- Employees must have completed the introductory period as of the holiday date.
- Employees must have earnings within the week in which the holiday falls.
- Employees must have worked the full scheduled work day immediately preceding the holiday and the full scheduled work day immediately following the holiday unless the absence from work is for a reason approved by the Company (including but not limited to approved vacation.)

#### ***Holiday Work***

For hourly employees, if an employee is scheduled to work on the Company designated Holiday shutdown day, they will be paid one and one-half (1 ½) times the regular rate of pay for all time worked, provided that the employee worked the full scheduled shift and satisfactorily performed all assigned work. In lieu of Holiday pay, Company may offer the employee an additional mutually agreed-upon paid day off.

### 3.8 Bereavement

The Company understands that the loss of a loved one can be difficult. All full-time employees who have completed their introductory period are eligible for time off with pay as the result of a death of a family member. This bereavement leave may be used to make arrangements or attend a funeral or memorial service, resolve or fulfill family obligations and give time for personal mourning. For the purpose of this handbook and Policy, a “step” relative shall receive the same bereavement time off with pay as the non-step relative as identified below. Employees may be required to provide proof of the relative’s death. Time off with pay shall be as follows:

Spouse, Child or Parent	Five (5) regularly scheduled work days (40 hours)
Brother, Sister, Grandparent, Grandchild, Father/Mother-in-law or Son/Daughter-in-law	Three (3) regularly scheduled work days (24 hours)
Great-Grandparent, Aunt, Uncle, Niece or Nephew	One (1) regularly scheduled work day (8 hours) – <i>day of funeral or memorial service</i>

Part-time employees may also be eligible for paid bereavement leave based on their average weekly hours worked. Employees should contact the Human Resources department to discuss eligibility.

### 3.9 Jury Leave

All full-time employees who have completed their introductory period, and provided the employee complies with this Policy, are eligible to receive pay for the first five days of jury duty (including to appear for a summons to jury duty, and to participate in the jury selection process.) Part-time employees are eligible to receive pay for time off to serve on jury duty with the amount of leave calculated by prorating five days by their average weekly hours worked. For each additional day of jury duty, time off will be unpaid for hourly employees. Employees may opt to use any available earned vacation time in place of unpaid leave. If an employee is summoned to serve jury duty, they should advise their Supervisor as soon as possible and provide the Supervisor with a copy of the summons. Employees are encouraged to contact the Human Resources department should they have questions. These guidelines do not apply to other types of court appearances (i.e., being summoned to testify, etc.)

Prior to payment, the employee is required to present proof of attendance provided by the court which shows the number of days served.

Employees serving on jury duty are expected to return to work if less than half their normally-scheduled work day has passed. It is employees’ responsibility to keep their Supervisor informed about the amount of time required for jury duty.

### **3.10 Family and Medical Leave Act (FMLA) Leave Policy**

The purpose of the Company's FMLA Policy is to provide employees with a general description of their FMLA (Family and Medical Leave Act) rights. In the event of any conflict between the Company's FMLA Policy and the applicable law, employees will be afforded all rights required by law.

The Company will grant up to 12 weeks of leave in certain circumstances (or up to 26 weeks of military caregiver leave) during a 12-month period to eligible employees as described further in the Policy. The leave may be paid, unpaid or a combination of paid and unpaid leave, depending on the circumstances of the leave and as specified in the Policy. Please refer to the FMLA Policy located in the "Policy Manual."

Employees are not permitted to perform work for any business or company while on an approved FMLA leave unless specifically authorized by the Company in writing.

### **3.11 Military Leave Policy**

The Company has a Policy for allowing those who serve with the U.S. uniformed services a leave of absence for military services, training or other obligations as required by Federal, State or local law.

Employees should refer to the Military Leave Policy located in the "Policy Manual." Any questions should be directed to the Human Resources department.

### **3.12 Personal Leave**

The Company, in its sole discretion, may grant a written leave of absence without pay for up to 30 days to any employee. Applications for a leave of absence must be in writing and filed and approved by the employee's Supervisor and the Human Resources department. Requests for personal leave will be evaluated based on a number of factors, including anticipated workload requirements and staffing considerations during the proposed period of absence. A leave of absence may be extended by the Company in its sole discretion, depending on the circumstances and need for leave. Requests for extensions for a personal leave of absence must be made at least one week before the conclusion of the original leave.

Employees are not permitted to perform work for any business or company while on an approved personal leave, unless specifically authorized by the Company in writing.

Personal leaves may be canceled at any time by the Company or by the employee with approval by the Company. Upon return from an approved leave, an attempt will be made to return the employee to the position held before the beginning of the leave or to one of equal pay and status. However, needs of the business may require the employee to return to a position other than the one held prior to the leave at a lesser pay and status.

Health insurance coverage will be maintained for the employee while on an approved personal leave (if less than six months ;) however, it is the employee's responsibility to continue to make payments to the Company, if applicable, for their biweekly premium contributions.

If an employee fails to return to work after exhausting his or her approved leave and fails to request and obtain additional leave, the employee will be deemed to have voluntarily resigned.

### **3.13 Witness Leave**

The Company provides unpaid leave when an employee is subpoenaed, or ordered by a court or governmental agency, to appear for a legal proceeding. Additionally, the Company provides unpaid leave when an employee wishes to attend a court criminal proceeding in a case where the employee or the employee's family member has been the victim of a crime. If the employee has discretion to schedule the proceeding at issue, the employee should attempt to schedule the proceeding outside his or her working hours, where reasonably practicable.

An employee must notify his or her Supervisor as soon as possible upon learning that the employee may need to take such leave. Additionally, if the proceeding ends before the end of the employee's regular shift, the employee should contact his or her Supervisor to determine if the employee should appear for work. The Company reserves the right to request documentation supporting the need for such leave (*e.g.*, a copy of a subpoena or proof of attendance when applicable.)

### **3.14 Returning from Absence Procedures**

When an employee returns from an absence, they should report directly to their work area. If they have been absent due to a medical condition for three or more consecutive days, they must provide a return to work release from the healthcare provider to the Human Resources department before returning to work and provide an acceptable reason for the absence. If an employee fails to follow these procedures, the employee will incur an unexcused absence as set forth above.

### **3.15 No Discrimination or Retaliation for Proper Leave**

The Company will not discriminate or retaliate against any employee for taking any leave available under Company policy or the law, provided the employee complies with the Company's lawful policies. Except where provided otherwise, when the employee returns to work after such leave, the employee shall be returned to the employee's previous position. Except where provided otherwise, the Company will not change the terms and conditions of an employee's insurance benefits during the term of any leave taken in accordance with this Policy.

## **SECTION 4: EMPLOYMENT STATUS AND COMPENSATION**

### **4.1 Employment Status**

1. Full-time – An employee hired for an indefinite period of at-will employment in a position which works 30 hours or more per week.
2. Part-time – An employee hired for an indefinite period of at-will employment in a position which works less than 30 hours per week.
3. Temporary – An employee hired at-will for a position required for a specific project or a short duration.



## **Seniority**

Seniority can be a key factor in determining a number of vital aspects of an employee's work life and benefits.

Seniority is defined as length of continuous service from first employment or last re-employment (whichever is more recent, except as provided below.)

Breaks in service (loss of seniority) occur when employees:

1. Resign or retire
2. Are terminated (including, but not limited to, when an employee is terminated for failing to return to work as required by the applicable Company policy after taking certain leave)
3. Are continuously laid off or on leave of absence for a period of twelve (12) consecutive calendar months

### **Company-Wide Seniority Date**

When two or more employees are hired on the same date, clock number will determine seniority with lowest clock number being most senior.

## **4.2 Compensation**

### **4.2.1 Overtime**

All employees are expected to work overtime when requested. When making overtime assignments it is Company policy to make every effort to distribute overtime fairly, including, when practical, rotational overtime for qualified employees during periods of continuous overtime. The Company, if possible, will schedule overtime on a voluntary basis, subject to the following criteria:

The Company will assign overtime pursuant to the following procedure, when practicable:

- The Company will schedule overtime on a voluntary basis.
- Qualified volunteers (i.e., those employees who are immediately able to perform the work) in the same department and on the same shift will be asked first.
- If more employees than are needed volunteer, those with the greater seniority will be considered first.
- If there are no volunteers in the same department, the Company will first consider volunteers from other departments provided they are fully qualified and immediately able to perform the work.
- If there are still no volunteers, mandatory overtime will be assigned within the department in reverse length of seniority.
- The Company may adjust this procedure when it deems necessary.

Hourly employees will receive overtime pay at the rate of:

- Time and one-half for all hours worked in excess of 8 hours in one shift or in excess of the employee's normally-scheduled work shift
- Time and one-half for all hours worked in excess of 40 hours in one week

Differential pay is considered for overtime purposes.

Properly-scheduled and approved holiday, vacation, jury duty or bereavement hours are considered as hours worked for overtime pay purposes.

Except as expressly provided otherwise, all Company policies apply when an employee is working overtime, even voluntary overtime (including, but not limited to, policies regarding attendance.) Refusal to work assigned overtime may result in discipline, up to and including termination.

Additionally, unless the Company has expressly classified an employee as exempt, employees are prohibited from working overtime except when an authorized Supervisor or Company official has expressly requested the employee to do so. This rule applies to all hourly employees. Any employee who works unauthorized overtime will be subject to discipline, up to and including termination.

#### **4.2.2 Shift Differentials**

Differentials for shifts other than first shift will be determined by the shift starting time. Shift differentials are listed on wage rate postings.

#### **4.2.3 Payroll Deductions**

The Company is required by law to make certain deductions from every employee's compensation. Among these are applicable Federal, State and local income taxes. The Company must also deduct Social Security taxes on each employee's earnings up to a specified limit.

The Company may be notified by a governmental unit or other legal entity or agency to withhold a part of an employee's earnings to settle a tax debt, attachment (also referred to as a garnishment) or similar matter. The Company cannot refuse to honor a lawful and applicable wage attachment. However, if an employee's earnings are attached, the employee will be notified of the amount and the pay period(s) that the attachment will be deducted.

Costs for Company benefits may also be deducted according to benefit plans.

As circumstance and law warrant, there may be other deductions that are required. Employees will be informed of these new deductions as they occur.

Employees are responsible for reviewing their pay statements to confirm the listed information is accurate. If an inaccuracy is noted, the employee must bring it to the attention of the Human Resources department as soon as possible. If an employee has questions why deductions were made from their pay check or how they were calculated, the Human Resources department can assist in having their questions answered.

#### **4.2.4 Reimbursement to the Company**

Upon termination of the employment relationship, for any reason, repayment to the Company for any benefits mutually- agreed upon between the employee and the Company must be made unless another policy or terms or conditions apply. Examples may include, but are not limited to: educational assistance, used but unearned vacation, membership fees, bonuses, etc. Where necessary and assuring compliance with Federal, State and local laws, benefits owed to the Company may be taken from an employee's final paycheck or other agreed upon methods for reimbursement.

#### **4.2.5 Call-in Pay**

If an employee is called in to work outside of their regular working hours because of some unforeseen condition, they will be paid a minimum of four (4) hours pay at the applicable rate, including applicable shift differential and appropriate overtime rates, provided that they willingly perform any work that they may be assigned while present. In a call-in pay situation, employees are not permitted to leave their work stations until released by Management.

#### **4.2.6 Reporting-In Pay**

If an employee reports to work on their regularly-scheduled shift and the Company is unable to provide work because of difficulty that is within the Company's reasonable control, the employee will be paid for four (4) hours pay at the applicable rate, including applicable shift differential and appropriate overtime rates, provided that they are willing to perform any work that may be assigned while they are present. In a report-in situation, employees are not permitted to leave their work stations or swipe out until released by Management.

#### **4.2.6 Emergency Closings, Weather or other Emergencies**

The Company will make every effort to remain open during inclement weather. However, there may be occasions when the Company must close.

The Company utilizes a Mass Alert Notification System to notify employees of weather-related closings or other emergency situations. All employees are encouraged to keep personal information up to date with the Human Resources department so that information can be relayed to them in a timely fashion.

Should the facility be closed due to circumstances outside of the control of the Company, as much advance notice as possible will be given to the employees via the Mass Alert Notification System. Employees are encouraged to follow the guidance given on the alert notification and react accordingly.

In most situations relating to weather closures or other emergencies outside the control of the Company, employees will not be paid while not at work. The Company will make reasonable efforts for employees to make up time missed.

## **SECTION 5: BENEFITS**

### **5.1 Eligibility for Benefits**

Eligibility for benefits is governed by the applicable plan documents. Below is a brief overview of benefit eligibility. However, employees must review the Summary Plan Descriptions for more detailed information. In the event of a conflict between the information below and the Plan Documents, the Plan Documents will control. Plan Documents are maintained in the Human Resources department. Please contact the Human Resources department for more information.

Full-time employees will be eligible for benefits following completion of 90 days of service except as provided otherwise in the individual benefit sections and subject to the terms of the plan or other policies.

Part-time employees may be eligible for certain benefits following completion of 90 days of service, except as provided otherwise in the individual benefit sections and subject to the terms of the plan or other policies.

Temporary or seasonal employees who are hired for a specific project or for a temporary period of time are not entitled to employment related benefits and are not eligible to participate in employee benefit plans.

The Company reserves the right, in its sole and absolute discretion, to modify or eliminate specific benefits, benefit plans, levels of coverage, providers and/or employer contributions at any time without notice, subject only to compliance with applicable laws.

Employees are required to notify the Human Resources department within 30 calendar days of any qualifying life event which may affect eligibility for benefits (i.e., marriage/divorce, birth/death, etc.)

### **5.2 Health Insurance**

The Company offers coverage under a health care plan to eligible employees and their eligible dependents. Health care plans are subject to change and more than one plan may be offered. Employees are encouraged to review the Summary Plan Description for information regarding eligibility, benefits and the effective dates of coverage and termination of coverage. The Summary Plan Description is available in the Human Resources department. Employees who have questions should contact the Company's Benefits Manager or the Human Resources department for additional information. Enrollment and re-enrollment are subject to limitations.

### **5.3 Continuation of Benefits- COBRA Compliance Policy**

The Consolidated Omnibus Budget Reconciliation Act of 1986, as amended (COBRA,) allows employees and their qualified beneficiaries to continue coverage for a specified length of time under the Company's group health plan upon termination of employment (other than for gross misconduct) or upon another "qualifying event" such as a reduction in hours or leave of absence. Please refer to the COBRA Compliance Policy located in the "Policy Manual."

#### **5.4 General Termination of Benefits**

Generally benefits terminate at the end of the calendar day of the employee's last day of work if the separation is permanent (i.e. quit, termination, resignation, job abandonment.) Benefit termination is addressed in more detail in the applicable plan documents.

#### **5.5 Life and Accidental Death and Dismemberment Insurance**

Except as otherwise provided in the insurance contract, all eligible employees are automatically covered under the Company's life insurance plan (which includes Accidental Death and Dismemberment) upon completion of their introductory period. The Company pays 100% of the cost of this plan.

Eligible employees may participate in the life insurance plan subject to all terms and conditions of the agreement between the Company and the insurance carrier.

For more information about the life insurance plan, please contact the Human Resources department.

#### **5.6 Voluntary Term Life Insurance**

Eligible employees may apply for additional term life insurance. This is offered on a voluntary basis. For more information about this plan, please contact the Human Resources department.

#### **5.7 Disability Insurance**

When a non-work related injury or illness keeps an employee from working for a period of time, it is important to have a continuing source of income. The Company provides disability insurance to eligible employees at no cost. Please note that disability insurance is a source of income replacement, not an additional type of leave; receiving disability benefits will not automatically entitle an employee to any leave. Please contact the Human Resources department for details.

#### **5.8 401(k) Plan**

The Company offers retirement benefits through its 401(k) plan for all full- and part-time employees. Employees should review the Summary Plan Description for information regarding eligibility and benefits. Detailed information will be provided by the Human Resources department.

#### **5.9 Educational Assistance Policy**

The Company provides a limited Educational Assistance Policy to encourage employees to seek Company job-related education which will enable them to qualify for higher skilled Company jobs. The decision about whether or not the (education) is eligible for educational assistance is solely within the discretion of the Company.

For more specific information, including additional potential repayment obligations of the employee and other terms and requirements regarding educational assistance, please contact the Human Resources department or refer to the Educational Assistance Policy located in the "Policy Manual."

## **5.10 Employee Assistance Program**

The Company provides a 24-hour, confidential Employee Assistance Program to help its employees address a wide range of personal, financial, legal and family issues. The Program services are available to all current employees, dependents and immediate family members who reside within their household.

Confidentiality is always assured except as prescribed by Federal, State or local laws involving child abuse, elder abuse or threats of harm to self or others. Absolutely no personal information is given to Company Management regarding the use of the Program. The Employee Assistance Program is HIPAA protected, similar to doctor visits or consultations with a pharmacist. All employees are eligible for the Employee Assistance Program services immediately upon being hired.

## **5.11 Gainsharing**

Gainsharing is designed to improve overall Company performance by rewarding employees financially for continuous improvement.

The purpose of the Gainsharing Program is to encourage and reward productivity contributions from all of the employees of the Company. The goals are to foster employee involvement and personal growth and to improve the competitive position of the Company. This Program is subject to termination or modification by the Company at any time without notice.

The Gainsharing compensation paid to covered employees is in addition to an employee's regular pay. Changes in the nature of the business, which results in a cost change, may cause the threshold percentage to be adjusted.

### ***Eligibility***

Subject to the following conditions, most active employees of the Company, with some exceptions, are eligible for Gainsharing:

- Both full- and part-time new hire employees become eligible immediately.
- Employees on leave without Company earnings will not receive Gainsharing.
- Temporary employees are not eligible for Gainsharing.
- In the event an employee is not employed on the date of distribution, they will receive their earned portion as determined by the Company in its sole discretion.

## **5.12 Credit Union**

The Company has relationships with local Federal Credit Unions for the convenience of Company employees. Employees may join a Credit Union at any time by contacting the Credit Union directly. After an account is established, change forms are available in the Human Resources department. Other than making this service available, the Company is not involved in any way in any banking relationship.

### **5.13 Service Awards**

The Company has many loyal, long service employees who are a valuable asset because of their skills and experience.

Such service and loyalty is recognized by the Company in the form of valuable and distinctive commemorative items.

The service award is separate from types of monetary compensation that the Company provides long-standing employees; rather, it serves as recognition of long-standing employees' many years of service, personal contributions to the Company's success and provides the employee with lasting evidence of the Company's appreciation.

Service awards are presented beginning at five (5) years of service and each additional five (5) years thereafter.

### **5.14 Direct Deposit**

The Company offers employees the benefit of having earnings directly deposited into the employees' bank account. The process is as follows:

1. Fill out a Direct Deposit Authorization Agreement available from the Human Resources department.
2. New accounts will require one pay waiting period.
3. Actual voided checks with account numbers are needed to add new accounts.

### **5.15 Holiday Savings Club**

The Company provides a convenient payroll deduction system through a local bank for employees who wish to participate in this Holiday Savings Club to save for the holidays. Employees should contact the Human Resources department for enrollment information.

### **5.16 Zippo/Case Employee/Retiree Discount Policy**

Eligible employees and retirees may purchase products at the approved Company discount from the Zippo/Case Museum store. The employee discount does not apply to clearance merchandise, limited edition collectables, special offers, engraving, shipping or sales tax.

To receive the employee discount, an employee or retiree must show valid photo identification to the cashier and personally pay for the product.

Employees and retirees are not permitted to extend their discount to anyone else. Although they are permitted to purchase products to be given as gifts, purchase of products for resale is strictly prohibited. Violation of this Policy in any way may result in immediate termination of this benefit and possible further disciplinary action, up to and including termination of employment. The Company reserves the right to deny or limit discounted purchases at any time for any reason.

All current employees and retirees are eligible for this employee discount. Employees become eligible for the discount on the day that their employment begins and eligibility is terminated on the day that employment ends with the exception of retirees.

## **SECTION 6: JOB OPPORTUNITIES**

### **6.1 Job Preference Sheets**

The Company will, at its discretion, consider requests for change based on each employee's job preference sheet. A job preference sheet is a form utilized to determine the jobs an employee prefers. Placements may be made from these preference sheets for jobs in labor grade 1 and for placement during layoff and recall. The employees will list on this sheet, in order of preference, the jobs they would like to have if they are displaced during layoff or upon recall from layoff or when a job in this labor grade becomes available. The Company will utilize these preferences, when possible and at the Company's discretion, to place employees when they are taken from their jobs because of layoff situations, placement on recall from a layoff, or when a position in this labor grade becomes available. Placements from this process are based on the following:

- a. Ability to perform the job
- b. Seniority
- c. Employee's work record
- d. The Company's determination of whether the employee would successfully perform the job

Job preference sheets will be held for a period of one year. It is the employee's responsibility to maintain an updated preference sheet with the Human Resources department.

### **6.2 Job Posting and Awards**

Job opportunities will be posted on Company communication boards. Employees may bid on posted open positions using the kiosks or via the Company's intranet system prior to the stated deadline. Late submissions will not be considered except at the discretion of the Human Resources department.

#### ***Jobs That Will Be Posted***

1. Newly created full-time labor grade 2 and above jobs
2. Openings on an existing full-time labor grade 2 and above job caused by departmental expansion or other reasons
3. Temporary jobs to replace employees on extended absence in labor grade 2 and above at the Company's discretion



If a job has been posted and the job still remains vacant, the department Supervisor, subject to approval of the Manufacturing Manager, may award the job to the best-qualified person in the department at the Company's discretion. This step is necessary in order to get jobs filled as quickly as possible so that the department may resume normal operations.

Job awards are posted on the Company communication boards or otherwise communicated to employees after the selection decision has been made.

Once an employee receives a job award or is placed utilizing the Company's job preference sheet process, the employee may not bid to a lateral or lower labor grade job for one year. The exception to this is when the Company eliminates the job prior to the awardee holding the job for a one-year period.

### ***Awards After Job Bids***

Job bidding provides an orderly means for employees to move to jobs which they feel present better career opportunities or that they simply would like better than the job they are on. The Company will strive to follow the criteria below when awarding jobs after employees have submitted bids:

1. For labor grade 2 positions, the Company generally will award the position based on seniority, provided that:
  - a. The employee is able to perform the job
  - b. The employee has a positive work record (i.e., attendance, performance, etc.) while at the Company
  - c. The Company's determination of whether the employee would successfully perform the job
  
2. For positions of labor grades 3 and above, the Company generally will award the position based on the following conditions:
  - a. Experience on this particular kind of work gained at the Company or elsewhere
  - b. The employee is able to perform the job
  - c. Seniority
  - d. The employee has a positive work record (i.e., attendance, performance, etc.) while at the Company
  - e. Score on any testing required (with the understanding that the employee must pass any required test in order to be eligible)

If an employee is awarded a job and then decides he or she does not want the job, the employee may go back to his or her old job if it has not yet been filled. In this situation, however, the employee may not bid for a job of the same or lower labor grade for one year.

Please note that, if an employee is awarded a new job, it may require working a different shift.

### ***Placement After Awarded Job Bid***

If an employee is awarded a job bid and is not placed on that job within 20 working days, they will receive the starting pay rate of the awarded job if it is a higher scale than their current pay rate.

### ***Disqualification by the Company***

Employees who fail to meet production requirements or who do not perform to Company standards after a job preference request or a job bid is awarded may be assigned to another job. The Company retains the right to transfer employees or assign employees new job duties in other situations as well.

### **6.3 Temporary Transfers**

The Company at times may need to transfer employees to different positions to maintain efficient operations.

Due to scheduling and operational needs, the Company may temporarily transfer an employee to a different position for up to three months without regard to length of service.

- If a temporary transfer results in an employee moving to a higher labor grade job, the employee will be paid during the transfer period at the higher rate.
- If a temporary transfer results in an employee at a labor grade 1 or 2 job, moving to a lower labor grade job, the employee will be paid the rate of the job they are transferred to.
- If a temporary transfer results in an employee at a labor grade 3 or above, or on an incentive job, being moved to a lower labor grade job, the employee will maintain their current rate of pay (whichever is higher) during the transfer period.
  - *The exception to this will be during workforce realignment following a departmental or plant wide reduction in force (see Reduction in Force and Recall Procedures within this handbook.) As result of a reduction in force, the employee will maintain their current rate of pay for a period of three months (starting on the date the transfer was first made.)*
- If a temporary transfer is made at the request of an employee and is solely for the employee's convenience, such an employee will be paid at the rate of the job to which they are transferred.
- While in a temporary transfer status, an employee is eligible to bid on posted jobs based on established procedures, except when otherwise required by the Company.
- If a reduction in force becomes necessary, an employee in a temporary transfer is subject to force reduction from their regular position (that position held before the temporary transfer.)
- This temporary transfer can be extended at any time due to scheduling and operational needs.

## **6.4 Reduction In Force and Recall**

### ***Reduction In Force-Company Hourly***

When it becomes necessary to implement a reduction in force/layoff, the Company will attempt to make layoffs on the basis of seniority (least senior first ;) however, the following procedures also may apply and, ultimately, the Company retains sole discretion in terms of the order in which employees may be laid off or recalled.

### ***Skilled or Trade Employee Layoff***

With regard to employees in specialized skilled trades or crafts, or with regard to their apprentices or trainees, the Company will attempt to make layoffs as follows and in the order stated below:

1. Apprentices and trainees, in specific areas or in any department within the Company, will be laid off in order of company-wide seniority (least senior first.)
2. Journeyman, currently working within the classification, will be laid off in order of Company-wide seniority (least senior first.)
3. Other specialized skills within manufacturing will be laid off based on Company-wide seniority (least senior first.)

### ***Reduction in Force-Departmental Hourly***

For employees who do not serve in skilled trade or craft positions, when it becomes necessary to reduce a departmental work force, the Company will attempt to make layoffs in the following order:

- Employees in labor grades 1 and 2 will be removed from the affected department on the basis of Company-wide seniority (least senior first.)
- Employees in labor grades 3 and up will be removed from the affected department on the basis of Company-wide seniority (least senior first.)

### ***Voluntary Layoff Out of Seniority***

In the event of a reduction in force/layoff, employees may request layoff out of seniority order by signing the required form. The Company has the right to refuse such requests at its discretion.

### ***Job Transfers/Realignment Following a Reduction in Force***

Following a reduction in force, it may become necessary to realign the workflow and move employees accordingly. If an employee is temporarily transferred to a different job as a result of a reduction in force (*i.e.*, in most cases, within three months after a reduction in force,) the employee will be paid the rate of the job they are being moved to until further notice.

### ***Recall from Layoff***

When it becomes necessary to increase the work force after a reduction in force/layoff, the Company will attempt to recall employees based on Company-wide seniority (most senior first.) The Company may, however, need to recall employees in a different order, such as when the Company requires employees with experience for a particular skill available at time of recall. Ultimately, the Company retains full discretion to determine the order of recall.

The Company will notify the employee of his or her recall by calling, sending a letter, or making some other suitable communication to the employee's last known phone number or address. If the employee does not respond to the offer of recall within three days of receiving notice, the employee will be deemed to have voluntarily resigned.

If an employee fails to report to work on the scheduled shift on the third day following recall from layoff, the employee will be deemed to have voluntarily resigned; however extenuating circumstances will be considered if the employee has a reasonable justification for failing to appear and cooperatively provides required information in a timely manner.

### ***How Jobs Are Filled During Recall From Layoff***

After the Company has recalled an employee from a reduction in force/layoff, the Company will place employees in vacant jobs based upon their previous experience, qualifications, seniority, and work record, at the Company's sole discretion.

After employees are recalled to work, if other jobs subsequently become available, the job preference sheet procedure and the job bidding procedures above will apply.

### ***Recall Refusal Right***

Employees may request delay in recall from layoff. The Company retains sole discretion to address such requests and, in certain situations, the Company's operational needs may prevent the Company from granting such requests.

## **SECTION 7: COMMUNICATION**

The Company believes that communication between employees and Management is important. With that, several tools for communication have been established.

### **7.1 General Complaint Procedure for Matters Not Addressed in Other Policies**

If an employee has a complaint regarding any general employment-related matter not addressed in another policy, they should contact their Supervisor promptly after the event at issue. If the complaint involves a Supervisor or if an employee is not satisfied with the Supervisor's response, the complaint should be given to the Human Resources department. The Human Resources department will respond to the complaint promptly.

Please note that other policies create more specific complaint reporting procedures and requirements. For example, the Anti-Discrimination and Anti-Harassment Policy requires employees to follow particular steps in order to report discrimination, harassment, and similar conduct. If an employee has experienced or is aware of a matter that is addressed by some other specific complaint-reporting procedure, the employee must follow that procedure if it differs from this general procedure.

### **7.2 Direct Line**

A "Direct Line" service has been established to provide a direct line of communication from any employee to the President of the Company on any subject. Forms are provided at convenient locations for employees to submit constructive ideas and comments relating to questions and suggestions they consider important. Employees are urged to use this system. Messages may be submitted either signed or unsigned. Signed messages will receive a response; unsigned messages will be given the same serious and thorough consideration as a signed message. (Please note that, when a separate policy creates a different procedure for reporting harassment, discrimination, retaliation, or other potentially unlawful conduct, employees should use that procedure instead to make such reports.)

### **7.3 Product Safety**

Under the Consumer Product Safety Act, a manufacturer of a consumer product which obtains information that one of its products contain a defect which creates a risk of serious injury, must immediately report the defect to the Consumer Product Safety Commission ("CPSC".) If an employee learns of a defect in a Company product, they should report it to their Supervisor immediately. Please be assured that employees will not be reprimanded for reporting the defect. Employee participation is critical to the Company's compliance with the CPSC laws and regulations.

## **SECTION 8: OTHER MATTERS**

### **8.1 Employee Responsibility to Provide Current Information**

Employees must provide current information regarding:

- Current addresses and telephone numbers
- Emergency contacts
- Mass Alert Notification System information
- Beneficiary additions or changes for employee benefit purposes
- Marital/Dependent status changes for employee benefit purposes

Employees must notify the Human Resources department of any changes in the above information.

### **8.2 Employment Files and References**

The Company maintains an employment file on each employee. The employment file includes such information as the employee's job application, resume, records of training, documentation of performance and other employment records.

Generally, information is not released from an employment file. However, when the Company is contacted for a job reference, the Company will simply provide the employee's position and dates of employment, unless the law requires otherwise or the employee specifically requests the Company to disclose additional information. An employee may request the release of specific information for a bank, school, credit or employment reference by submitting a written authorization to the Human Resources department.

Employees who wish to request to review their own file should contact the Human Resources department. Employees will not be permitted to remove their employee file from the Company premises, or any part thereof, or photocopy the contents.

If the employee disagrees with any documents in their employee file, they may add a written statement in response to be included in the file.

### **8.3 Employment of Relatives, Nepotism, and Personal Relationships**

The Company wants to ensure that corporate practices do not create situations such as conflict of interest or favoritism. This extends to practices that involve employee hiring, promotion and transfer. Close relatives, spouses/partners, those in a dating relationship or members of the same household are not permitted to be in positions that have a reporting responsibility to each other.

The Company reserves the right to apply this Policy to situations where there is a conflict or the potential for conflict because of the relationship between employees, even if there is no direct-reporting relationship or authority involved. The Human Resources department shall have the authority to determine if such conflict or potential for conflict exists.

### **8.4 Resignation Notice**

From time to time people find it necessary to resign from their jobs for a variety of reasons.

When an employee wishes to resign, it is requested that they provide at least two (2) weeks' written notice to their Supervisor. Resigning employees may be asked to explain the reasons for leaving, as well as specify the last work day they will be with the Company.

The Supervisor will turn the notice over to the Human Resources department for processing. Upon resignation, the employee may be asked to participate in an exit interview.

### **8.5 Retirement Notice**

Employees should provide at least three (3) months written notice to the Human Resources department setting forth their retirement date. This allows the Company to provide retirement benefit calculations, to prepare and assign work or fill the employee's position. The Human Resources department will assist the employee in completing necessary papers as well as inform them on both Company and government benefits available and other considerations relative to retirement. Upon retirement, an employee may be asked to participate in an exit interview.

### **8.6 Service League**

The Company has an Employee Service League, which is a committee of current, senior employees who vote on how expenditures from funds raised by the Service League are spent.

The primary consideration for the money is to help employees who have had or are experiencing a serious, unfortunate event in their life, meets the criteria and is approved by the Service League. The league may also donate to local charities and other non-profit organizations.