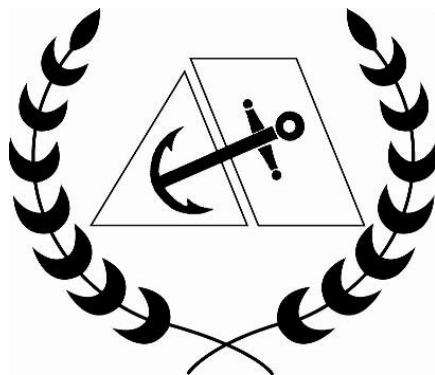


Anchor Companies Handbook



Revised September 2014

HANDBOOK

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1. WELCOME

We hope you will realize the greatest possible benefit in your association with our Company. We devote time to selecting employees who have self-respect, independence and the work ethic to do their job in a way that reflects pride in them and in their accomplishments.

While degrees of skill vary and types of jobs differ, every job here is important and necessary to every other job. No one can perform properly without an equally effective performance by everyone. Consequently, whatever the job may be, remember that the entire organization depends on your satisfactory performance and attendance to accomplish what must be done.

All employees are hired for an indefinite period as we do not offer or require employment agreements for any specific period of time. All applicants and employees are treated equally without regard to their race, color, religion, gender, national origin, physical or mental disability, ancestry, sexual orientation, or age. We consider whether an individual is qualified and can safely perform the essential functions of the job, in keeping with the necessities of our business.

As informed employees are better able to perform their work and to visualize the importance of their job, this handbook is offered as a guide during your employment. Policies and benefits may be discontinued, added to or modified from time to time, with or without prior notice. This handbook is not to be considered as an express or implied contract with any individual or group of employees; no employee is authorized to make additional representations or to modify any policy without the written approval of the Board of Directors of the Company.

The growth and stability that we have experienced over the last several years is due in part to the performance of our employees. We encourage all employees to make suggestions for improvement and expect participation in our Process Improvement Program. Continuation of this Company's growth requires that we improve upon the quality of our products and the efficiency of our operations. We are all committed to this goal.

Any questions concerning the material in this handbook should be directed to the Human Resource Department.

**Frederick Pfaff
President & CEO**

2. Introduction

This handbook has been prepared to assist you in understanding the policies and benefits of the Company and is only a general guide to the Company's current employment policies and benefits. Since this information is important to you and your job, you should keep it in a safe place for your reference.

From time to time, the Company will review the policies, procedures, and benefits that are referred to herein, and will make revisions and changes as the need arises. Such revisions and changes will be furnished to you and it is important that you keep your handbook updated. You are responsible for reviewing and understanding these changes, and will be bound by any and all changes.

We realize, of course, that you may have questions which are not addressed in your handbook. Please feel free to address any questions with your supervisor or Human Resources.

With respect to the sections of the handbook relating to employee benefit programs, you should keep in mind that this handbook is intended to provide a general overview of our program as currently established, and in no way does it provide a guarantee of any future benefits or specific levels of benefits. As the program sponsor, the Company has the sole and exclusive authority to modify or terminate any and all elements of its employee benefit program, at any time.

Your employment is "at will" and therefore, just as you may terminate your relationship with the Company at any time for any reason, the Company expressly reserves the right to terminate the employment of any employee (including during any Orientation Period) at its sole discretion. This employee handbook does not constitute an express or implied contract of employment. No one, except the President of the Company, has the authority to change this employment relationship, and such change must be in writing and properly signed to be valid.

3. Equal Employment Opportunity

It is the policy of the Company to provide equal opportunity to all employees and all applicants for employment without regard to race, religion, color, gender, national origin, age, veteran status, sexual orientation, physical or mental disability or genetic information. This shall include recruitment, employment, promotion, demotion, transfer, layoff, termination, pay rate, benefits, education, and training. The Company complies with all applicable federal, state and local employment laws. Known mental or physical disabilities will be reasonably accommodated, where the employee can perform the essential functions of the job.

4. Anchor Principles and Guidelines

Integrity – We have integrity with all our fellow associates, subordinates and peers, as well as customers and suppliers. This includes never using half truths, partials truths or misleading statements.

Teamwork – We work in teams that include fellow associates, customers and suppliers. All members of the team are kept informed. Everyone is responsible. “Not my job” is not spoken here. Everyone is responsible for everyone else. We are dependent on one another to get the job done and we will not let our fellow associates down. Asking for assistance and utilizing all of our resources is encouraged.

Respect – All associates, customers and suppliers are treated with respect. Safety and an associate's well being are very important. We keep a safe and clean work environment. We speak positively about our customers, fellow associates, and the parts we sell.

Accountability – All associates are accountable for themselves and the associates they manage. This includes meeting deadlines and targets. Each of us is responsible for the financial health of the organization, which means we will comply with a customer's request but make sure that if there is a cost involved we consciously decide whether or not to pass it on to the customer.

Solving Problems – We strive daily to improve processes and ourselves and we make sure we align our personal goals and the organization's goals. We look at processes, not the individual, if we need to address a problem. We believe every problem can be solved. We are flexible. The best solution is the one that is cost effective and safe using simple changes to procedures and processes as well as technology.

Ignoring or abusing/violating these guidelines will lead to disciplinary action, up to and including immediate discharge.

5. The Company's Policy on Unions

Our Company is a non-union organization. We always have been non-union, and it is our desire that we always will be non-union. We prefer to deal with people directly rather than through a third party.

No organization is free from day to day problems. We have our share of them from time to time, but we have always been able to work them out among ourselves without outsiders getting involved.

Regardless of the nature of our problems, we believe that a direct person to person approach serves the best interests of everyone involved. We ask our employees to keep us informed and to say what's on their minds. We encourage our employees to talk openly with management instead of through a third party.

As a non-union Company, we strongly believe in treating all of our employees as individuals, without favoritism or discrimination. If a problem exists, we have a "Problem Solving" procedure which guarantees prompt resolution and which can and should be used by all of our employees. We believe that our commitment to fair play and the recognition of every employee as an individual has significantly contributed to the success of our Company, and this approach offers our employees far more tangible benefits than any union can offer.

Our policy is to offer wages and benefits, which compare favorably with those offered by comparable companies in the area. We are also committed to providing a pleasant work environment and enabling everyone to meet the highest of professional standards. **In contrast, unions cost employees money. They can often hurt employees by subjecting them to strikes and controversy.**

It is for this reason that the Company is strongly opposed to unionization. There is a possibility, however, that a union official or somebody working for a union will someday approach and ask

you to sign a union card. Don't sign that card without thinking about all the facts. Think long and hard about yourself, your job and your future. Also, ask yourself if a union can really serve your best interest. Although you have the right to join a union without fear of reprisal, it is our desire that we will always be non-union. Now, if you have any questions about this subject, please talk to your supervisor or any other management representative. We will be glad to give you the answers, or contact someone who can give you the answers.

Frederick Pfaff
President & CEO

6. Safety Policy

Although every employee receives training and materials regarding safety on the job, it is important enough to remind all employees of some of the basic guidelines for safety which all employees are required follow:

- (a) Under no circumstances are you ever to bypass or defeat a safety barrier or device.
- (b) Under no circumstances are you ever to place parts of your body into the point of operation of a machine or operation.
- (c) If a machine or operation is malfunctioning or quits running, report this to the area supervisor or leadperson; shut the machine off or stop the operation immediately; do not try to fix the problem yourself.
- (d) Report any unsafe condition to your area supervisor or leadperson immediately; do not operate the equipment.
- (e) Inspect any machine or equipment to which you are assigned for any guards or safety devices out of place; do not operate it if any are missing.
- (f) If you notice any strange noises coming from your machine, shut it down and notify the area supervisor or leadperson.

These instructions **authorize you** to stop production at any time for safety reasons. It is **your responsibility** to do so.

7. Employee Classifications

The Company shall classify its employees as follows:

Full time employee-- employee regularly scheduled to work forty or more hours per week.

Part time employee -- employee scheduled to work less than 30 hours per week. A part time employee may temporarily work the hours of a full time employee, but this temporary increase in hours will not indicate a change of status.

Company policies apply to Part time employees but they are not eligible for any Company sponsored benefits, except those benefits required by law.

Seasonal/ Project/ Intern employee-- employee hired on a seasonal basis or for a particular project; Company policies apply to Seasonal/Project employees but these employees are not eligible for any Company sponsored benefits, except those benefits required by law.

Temporary employee-- employee hired, such as through an employment agency, to work for a temporary purpose; Company policies apply to Temporary employees but these employees are not eligible for any Company sponsored benefits, except those benefits required by law.

In addition, all employees are classified as either:

Non- Exempt Employees: Employees subject to the minimum wage and overtime provisions of the Fair Labor Standards Act.

Exempt Employees: Employees who are exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act.

8. Overtime Notification and Assignment

Occasionally work loads and schedules may make it necessary for employees to work in excess of 40 hours per week. The Company will pay time and one-half to non-exempt employees for all hours worked in excess of forty hours per week. Time off in lieu of overtime pay from a previous pay period is not allowed under the Fair Labor Standards Act.

Should an employee be assigned unscheduled overtime, the Company will make every effort to notify them within the first half of the workday. Where unscheduled weekend overtime is required, the Company will make every effort to provide one day's prior notice to employees required to work. All employees are expected to accept an overtime assignment, unless excused in advance by their supervisor. Employees should work overtime only with the approval of their supervisor. It is the employee's responsibility to secure their supervisor's approval for overtime worked.

Double time will be paid to non-exempt employees for work performed on a shift beginning on a Sunday or a holiday. Sunday and holiday hours are classified as special hours and there shall be no duplication of overtime premium compensation.

9. Shift Premium

Employees who are scheduled to work the hours of an established night shift will receive a premium for each hour worked. Employees who work into the hours of a shift other than their own will not be paid the premium for the other shift. An employee who is transferred from night shift to first shift will not continue to be paid shift premium.

10. Human Resources

The Human Resource Department is the primary source of information regarding the Company. The department is available to employees at any time to answer questions regarding benefits, Company policy and procedure, and anything else they may need to know. They are also available to simply listen to a problem and help the employee come to a conclusion. The department is here to make sure that Company Policy is held up and that employees are treated fairly.

If at any time an employee feels as if they are not being treated fairly, or they wish to discuss an issue, they need to ask their supervisor if they can be excused to go to the Human Resource Department.

11. Personnel Records

It is important to keep Human Resources advised of any change of address, telephone number, marital status or number of dependents. This information is needed for payroll and insurance purposes. It is the employee's responsibility to provide accurate and current information. All written records and notes of discussions held with employees are kept in confidence as much as possible.

No material may be removed or copied from an employee's personnel file by any employee.

Employee and personnel files and all records remain the property of the Company at all times.

12. Hours of Work

For day shift the workweek begins at 12:01am Monday and ends at midnight the following Sunday. For night shift the workweek begins at 12:01am Sunday and ends at midnight the following Saturday. A workday will be considered the twenty four (24) hour period beginning with the time an employee starts work. **This is not to be considered as a guarantee of hours worked per day or per week nor as a limit on such hours. Employees are strictly prohibited from working any hours not expressly authorized by their supervisor.**

13. Pay Periods; Time and Attendance

All hourly employees are paid on a weekly basis. Wages are calculated according to the approved hours in the time and attendance system.

In order to maintain the accuracy of hours worked, employees must always record their starting and quitting time and any time they leave the Company premises during the workday by using the time and attendance system in their area.

All salaried employees are paid on a semi-monthly basis. Should payday fall on a holiday or weekend, checks will be issued on the previous workday whenever possible.

Should a payday fall on a holiday, checks will be issued on the previous workday whenever possible.

Hourly vacation checks will be issued in July or, if requested, the first pay following the return from vacation if it is after the second week of July.

Any employee who wants their paycheck mailed or released to another person must provide written, notification to the Human Resource Department. The Company will not release paychecks to anyone unless it has this written permission. **Any problems with an employees' paycheck must be reported immediately.**

The Company complies with all employment laws, including the Fair Labor Standards Act (FLSA). As such, the Company does not permit improper or impermissible pay deductions. In general, salaries of exempt employees are not subject to reduction because of variations in the

quality or quantity of work performed. While there are some exceptions to this rule, in general, an exempt employee will receive his or her full salary for any week in which the employee performs any work. If an overtime exempt employee's pay is reduced for a partial day absence or otherwise improperly reduced, the employee must contact a Human Resource Representative or his or her immediate supervisor to report the improper deduction immediately. If you have any questions about exempt status, improper deductions or any other pay-related concern, please contact Human Resources.

All required and voluntary deductions authorized by the employee will be automatically deducted from the employee's paycheck. Each employee will receive a pay stub, which itemizes the gross pay, deductions, and net pay received.

Falsification of the time and attendance record systems or utilizing another employee's clock number for any reason is prohibited and may be grounds for disciplinary action up to and including termination.

Employees will be required to punch in during the designated clock in / clock out period. Clock in will be 10 minutes prior to their shift (i.e. from 6:50am – 7am for a 7am shift start time). Clock out will be 5 minutes after their completed shift (i.e. from 3:30pm -3:35pm for a 3:30pm shift end time). No work is to be done until scheduled starting time or after scheduled ending time without express, prior or written authorization by a supervisor or manager. Employees who fail to follow this policy will be subject to disciplinary action up to and including termination.

14. Monetary Advances to Employees

The Company WILL NOT make monetary advances or loans.

15. Performance Appraisals

Performance Appraisals are given after 90 days, once in the fall and once in the spring. Performance Appraisals are just that, a review of your performance and they do not automatically result in a wage increase.

16. Outside Employment

The Company respects the right to engage in personal activities outside of employment, provided such activities do not conflict with the Company's interest or interfere with the work schedule for regular and overtime hours. However, employees are not permitted to engage in another job with a competitor of the Company or engage in any outside employment or activity which affects job performance.

For safety reasons, the Company does not permit employees to have more than one full time (40 + hours a week) position.

17. Exit Interviews

If an employee decides to end their employment with the Company, the Company requests two weeks notice. Before leaving, the Company would like that employee to fill out an Exit Interview form. This allows the employee to comment on the Company's policies, procedures and working conditions. The Company is interested in these opinions and will listen to suggestions. Final insurance and payroll information can also be discussed at this time.

The Company will make payroll deductions from an employee paycheck for lost or broken Company property. The last paycheck will be received upon the receipt of ALL items less any money due to the Company, as permitted by law.

18. Lunch / Breaks

Employees are not permitted to do work while on lunch, or break, off the clock.

Either a paid ten (10) minute lunch period or an unpaid lunch period of thirty (30) minutes is scheduled during the workday. There are indoor lunchrooms for convenience.

There is a ten (10) minute paid rest period in the first half of the workday and if overtime is scheduled an additional ten minutes will be given during the second half of the day.

Each employee will have five (5) minutes before lunch and also at the end of the day to clean up. Some areas may require a different schedule, in which case their supervisor will notify them. The plant signal system will sound for the breaks, lunch, and at the end of the shift.

19. Injury on the job

If an employee is injured on the job, they **must report the injury immediately to their supervisor** and seek the appropriate medical treatment. If an employee loses time away from work, suffers medical expenses, or becomes disabled due to a job related accident, they may be eligible for payment to cover such loss of income and disability and medical expenses as determined by the worker's compensation laws. Worker's compensation insurance is an insurance plan, which is supervised by the state and is paid for in its entirety by the Company.

20. Holidays

The Company observes the following holidays:

- *New Year's Day*
- *Good Friday*
- *Memorial Day*
- *Independence Day*
- *Labor Day*
- *Thanksgiving*
- *Day After Thanksgiving*
- *Christmas Eve*
- *Christmas Day*

Should a holiday fall within a vacation period, employees will receive holiday pay, but vacation will not be extended.

Eligibility: All full time employees are eligible for holiday pay after the first of the month following one full month of employment, provided they work all their scheduled hours on the day before and after each holiday. If an employee fails to work the full scheduled workday before and after the holiday, then they WILL NOT receive holiday pay unless:

- The employee has secured advanced permission from the department manager to be absent **or**
- The employee has an excuse acceptable to the department manager **and**
- the employee has less than 1 attendance point in the last thirty calendar days prior to the holiday

Pay: Pay for a holiday not worked will be the total of your scheduled hours for that day up to eight hours at BASE pay rate excluding shift premium. Pay for work on a holiday will be double-time for the hours worked, including any shift premium for which you are eligible, plus holiday pay. No holiday pay will be received during leaves of absence for personal or medical reasons.

21. Vacation

Upon having the required service credit and having worked a minimum of thirty-nine weeks in twelve consecutive months preceding July 1 in any calendar year, a full time hourly employee will be eligible for vacation and vacation pay.

A full time employee who resigns, is discharged, or retires before July 1, will not receive any vacation pay for that year. A full time employee who resigns or retires before July 1 or is discharged at any time will not be receiving any vacation pay in that year.

A full time employee who fails to meet the necessary workweeks due to being on a non - FMLA leave of absence also will not be eligible for vacation pay.

Below is the vacation schedule for hourly associates:

Length of service as of June 30th

Less than 6 months	No vacation or pay
Six months but < 1 year	3 days = 24 hours pay
1 year but < 2 years	5 days = 40 hours pay
2 years but < 3 years	7 days = 56 hours pay
3 years but < 4 years	10 days = 80 hours pay
4 years but < 5 years	11 days = 88 hours pay
5 years but < 6 years	12 days = 96 hours pay
6 years but < 7 years	13 days = 104 hours pay
7 years but < 8 years	14 days = 112 hours pay
8 years but < 15 years	15 days = 120 hours pay
15 or more years	20 days = 160 hours pay

The number of vacation days counted in any week will equal the number of days of work scheduled in that department.

The week prior to a vacation must be worked fully as scheduled.

The vacation period is from July 1 to December 31 of each year. Any vacation request is to be secured from the Department Manager

Vacation time must be taken in week segments unless prior permission is received. Vacation time does not accumulate from one year to the next, nor may one vacation be taken consecutively with the following year's vacation. The Company asks that all vacation requests be submitted no later than April 30. Employees will be given consideration as to vacation time in the order that their requests are received, subject to normal approval of the Department Manager. Department Managers may schedule vacations for those employees who have not submitted their vacation requests by April 30. The scheduling of all vacation time is at the Company's discretion. Vacation will be approved based on workloads and deadlines to ensure that adequate staff are available to operate efficiently.

Vacations MUST be taken during a plant shut down, if one occurs.

22. Profit Sharing Retirement Plan

The Company makes available to eligible, qualified employees a "401 (K) Profit Sharing Retirement Plan." This plan is designed to help employees build assets for retirement years while providing a tax shelter for current income. Historically, the Company has provided a matching amount on behalf of the participants. Please see the Human Resources department for more information regarding this plan.

23. Insurance

The Company makes available to full time employees averaging 30 hours or more per week a comprehensive program of group insurance. This includes: Medical, Dental, Life, STD, Accidental death and dismemberment, and a Vision program. Full time employees may elect to cover eligible dependents under medical, dental, and vision programs. Insurance will be covered in detail during new hire orientation training. If there are any questions after that, please see Human Resources or refer to your summary plan descriptions.

Under certain circumstances medical coverage can be continued at the expense of the employee for a specified period.

The Company imposes sanctions on any employee who fails to comply with HIPAA Privacy Rules.

24. Educational Reimbursement

As economic conditions allow, the Company may pay for courses taken after an employee's 90-day orientation period is completed **IF**:

- (a) The course will directly assist the employee in their work and is offered by an approved institution. General Education courses DO NOT qualify;
- (b) The employee obtains approval for the course BEFORE he/she takes it;
- (c) The final grade is a C or better;
- (d) The employee continues to perform satisfactorily in his/her current job; and
- (e) The course is completed while the employee is employed by the Company.

For Pre-approved college courses, the Company may reimburse per credit hour.

Once a total of **\$1,000.00** is reached for a calendar year, employees will be required to sign an Education Reimbursement Agreement. This agreement will stipulate that for every **\$1,000.00-\$3,000.00** paid in educational assistance, one year of service is required of that employee. If the employee fails to complete the year(s) of service, they will then be responsible for the cost of reimbursing the Company for any education assistance advanced.

The Company will pay for the cost of the course only; any materials involved are the employee's responsibility. The employee must submit their final grade before reimbursement will be given. Do this through the Human Resource Office. Courses should be taken outside of work hours and on the employee's time.

Please see the Human Resource Department for further details on Educational Assistance

25. Bereavement Leave

All full time employees are eligible for paid leave due to the death of a member of their immediate family. "*Immediate Family*" shall be defined as your: spouse, mother, father, brother, sister, child or grandparent. Bereavement leave entitles employees to paid funeral leave not to exceed three (3) days. Proof of the death must be submitted to your supervisor or Human Resources. For the death of your grandchild, mother-in-law or father-in-law you are entitled to paid funeral leave not to exceed **one (1)** day. All employees must report the need for bereavement leave as far in advance as possible, but no less than 1 hour prior to the employee's scheduled start time. Additional bereavement leave without pay may be granted with approval. No attendance points will be issued to employees who are granted a leave pursuant to this policy.

26. Juror Pay

Upon receipt of the summons for jury duty, a copy of the notice should be immediately submitted to the department supervisor and Human Resources. All regular full-time employees who have completed their 90-day orientation, will receive the difference between their juror pay and full pay for an eight-hour workday at regular wages for a period up to one week. Jury duty that is in excess of one week will be taken on a personal leave of absence.

Any employee called for jury duty must report to work if he or she can work two (2) or more hours either before or after jury duty.

27. Unemployment Compensation

Unemployment compensation benefits are paid for entirely by the Company.

If an employee's employment with the Company should be terminated for a qualifying reason, or if an employee should be laid off by the Company due to unemployment beyond that employee's control, the employee may be eligible to receive unemployment benefits as determined by the applicable laws.

28. Length of Service

Length of service is service credited with the Company, measured in days, weeks, months, and years. The first ninety (90) days of employment are considered an orientation period during

which employment is initially evaluated. Full time employees with ninety (90) days of service will be given service credit from their last date of hire.

Service Credit will be considered broken and an employee will be removed from the payroll if they:

- (a) are discharged;
- (b) resign;
- (c) retire;
- (d) are laid off more than 90 days or time equal to length of service less than 90 days
- (e) take a non-FMLA (Family Medical Leave Act) leave of absence in excess of 90 days;
- (f) fail to return to work within (2) workdays following the date of recall from layoff, without permission from the manager; or
- (g) fail to return to work within two scheduled workdays immediately following a vacation or leave of absence, without prior approval from the department manager.

No employee shall be removed from payroll if prohibited by then prevailing law.

29. Layoff

All layoffs will be made from within departments, by shift, giving equal consideration to each employee's skill, ability, and length of service from date of hire. Employees who have not acquired service credit and seasonal or project employees generally will be the first to be laid off, unless critical skills are involved, in which case exceptions may be made. Layoff may either be indefinite or permanent.

30. Recall

Recall will be made in reverse order of layoff, unless critical skills are involved, in which case, exceptions may be made. The date of recall is the day the employee or any person at the employee's address receives the recall notification or the date it is marked as being undeliverable. Recall may be made by telephone or by certified mail, return receipt requested.

31. Promotions and Transfers

The Company makes every effort to promote from within, where possible, and therefore current employees will be given first consideration when higher level positions become available. However, the Company will recruit outside candidates who have the skills or experience needed for certain jobs if it is felt that no internal candidates qualify for the opening.

A notice announcing a job vacancy will be posted on employee bulletin boards for designated period of time. Interested employees who have completed their orientation period successfully, may apply through applications in the Human Resource Office.

The primary factors taken into account in all promotions or transfer decisions will be the relative ability and merit of all candidates (including performance appraisals, attendance, and job skill).

If a promotion or transfer is granted, the employee will be required to complete an orientation period in the new position. Returns to previous positions are not guaranteed.

Shift changes are NOT permitted on a permanent basis. The department manager may grant temporary shift changes if extenuating circumstances exist.

The Company reserves the right to transfer employees to different positions when deemed necessary to maintain efficient operations or production. Cooperation is expected in these situations.

32. Family and Medical Leave Policy

In accordance with the Family and Medical Leave Act, eligible employees will be allowed up to 12 weeks of unpaid leave during a 12 month period for one or more of the following reasons:

- Birth or adoption/ foster care of a son or daughter
- Care for a child within one year of the child's birth or placement
- Care for a spouse, son, daughter or parent with a serious health condition; or
- Serious health condition that prevents the employee from performing the functions of his/ her job.

To be eligible, employees must have been employed by the Company for at least 12 months and must have worked at least 1250 hours during the previous 12 months.

The leave year will be calculated by a "rolling" 12 month period measured backward from the date an employee uses any FMLA leave.

For a leave taken in connection with a serious health condition of the employee or a family member, if medically necessary the leave may be taken intermittently or on a reduced leave schedule (fewer hours per week or per day). An employee taking this type of leave may be required to transfer temporarily to an alternative position with equivalent pay and benefits which better accommodates recurring periods of leave.

A husband and wife who are both employed by the Company are jointly entitled to a combined total of 12 workweeks of family leave for the birth or placement of a child or to care for a child or parent with a serious health condition. Each employee is eligible for 12 weeks within a 12 month period if unable to work due to a serious health condition.

Leave for birth or adoption or foster care placement must conclude within 12 months of birth or placement.

Employees MUST substitute paid leave, such as any accrued vacation leave or personal/ sick leave, for their Family and Medical Leave Act leave, and such leave shall apply to the employee's 12 week entitlement, as permitted by law. Moreover, employees should make a reasonable effort to schedule any foreseeable medical treatment so as not to unduly disrupt the operations of the Company. Employees should provide the Company with not less than 30-days notice or as much notice as is practical. In the event the situation is not an emergency or is predictable, such as

scheduled surgery or pregnancy, a Medical Leave of Absence form must be obtained from the Human Resource Department and must be on file before the LOA begins.

During the leave, the Company will maintain an employee's existing coverage under the Company's group health benefit plan in the same manner as if the employee were actively working. The employee will be required to pay the cost of coverage as if actively at work.

An employee requesting leave due to the employees own serious illness or to care for a seriously ill spouse, child or parent must provide the Company with a written certification by a physician on a form that can be obtained from the Human Resource Department. If the illness or disability continues beyond the initial requested period, additional leave may be granted.

If the employee fails to return to work at the conclusion of the leave, the Company may require the employee to reimburse it for the full cost of health care coverage during any period of unpaid leave. However, the employee may not be asked to reimburse the Company if he/she fails to return to work because of the employee's or a family members' legitimate medical reason; circumstances beyond the employee's control; or the continuation, recurrence, or onset of an employee's or a family member's serious health condition. In addition, the employee would need to provide the employer with medical certification within 30 days of the request.

33. Military Leaves of Absences

Any full time employee who joins the armed services will be granted military leave of absence without pay consistent with applicable federal and state laws. Employees leaving for such a leave will receive any accrued vacation pay at the time the leave commences. Employees returning from active military duty must apply for reinstatement within the time period dictated by the federal Uniform Services Employment and Re-employment Rights Act (USERRA). Except in the event of changed circumstances or where provided otherwise by law, all employees on an approved military leave will be returned to the same or comparable position, provided all requirements have been met, the employee is qualified for the position, and the employee is capable of performing that position.

Any non-exempt full time employee who requires a military leave to perform reservist or national guard duties will be granted a military leave of absence without pay in accordance with applicable federal and state laws unless the employee elects to receive any accrued vacation pay during the leave. At the time the leave is requested, the employee must notify the Company in advance of his training schedule and anticipated return to work date, and the employee must return to work on their next scheduled work day following their return from reservist duties.

34. Personal Leaves of Absence

Full time employees may, **with** the approval of their supervisor, be granted an unpaid leave of absence within the sole discretion of the Company. All requests for leaves of absence must be in writing and must state the reason for the request and the anticipated length of leave being requested. The employee will not continue to accrue continuous service for the calculation of vacation and personal holiday time during a personal leave. Employees will not be approved to take a leave longer than they have been employed.

During a LOA, other than for extended military service, group insurance will be continued for up to ninety (90) days for medical leaves and up to thirty (30) days for personal leaves. Employees

will be required to pay for the cost of coverage as if actively at work. **If LOA extends past approved period, there is no guarantee of employment upon return.**

35. Problem Solving

If an employee has a problem it is his/her responsibility to let the Company know. The Company cannot help until it is aware that something is wrong. The Company will do its part to make this procedure work successfully; the rest is up to the employee. At the time a problem occurs the employee should:

- (a) Discuss it with the department supervisor. The employee should receive an answer no later than the end of the next workday.
- (b) If the employee is not satisfied, they can come to the Human Resource Department to appeal the supervisor's answer. The employee should receive an answer within five (5) workdays.
- (c) If the employee is still not satisfied, they may make a WRITTEN appeal to the President for a final decision within three (3) workdays following the day the employee received the answer from the Human Resource Department.

36. Bulletin Boards

Each area has a bulletin board where important information is posted frequently. These boards should be checked daily to ensure that employees have all the information they need regarding various topics. Employees ARE NOT to post material, remove, alter, or deface material posted on bulletin boards or anywhere else on Company property. If employees wish to post material, they must bring that material to the Human Resource Department for approval.

37. Phone Calls

During working hours, employees will be called to the telephone for verified EMERGENCIES only!

38. Parking

A parking lot is provided for employee convenience. If given an assigned parking space, please park in that space. If not, please park in the back of the building in which you work or as otherwise instructed. Please lock vehicles at all times. The Company IS NOT responsible for damage to or loss of cars or other personal items in the parking lot, plant, or anywhere on Company property.

39. Tools

Employees are to furnish their own hand tools, as required in their job. If employees wish to remove tools, they are subject to inspection before they are taken from the premises. All tools supplied by employees must be safe to use, and authorized in advance by a supervisor.

To reduce the possibility of theft or loss, identification labels or marks should be placed on all personal tools. Personal tools broken, damaged, lost or stolen on the premises are the employee's responsibility.

The Company will calibrate all personal measuring instruments used for production.

40. Employee Suggestion Forms

The Company knows that there may be more than one way of doing things. If there is a suggestion that may help to increase efficiency or improve a phase of operation, please fill out a suggestion form and place it in the suggestion boxes or turn it in to your supervisor directly. The Company welcomes the input.

41. Visitors

All visitors must sign the log book in the front lobby and wear a “Visitor” badge. Visits in the plant or office by unauthorized persons will not be permitted. **If you see someone on the property who you believe to be unauthorized, it is important for safety reasons that you report this to your supervisor immediately.**

42. Lost and Found; Inspection of Property

To maintain security and protect against theft, the Company reserves the right to inspect all personal property brought onto the Company’s premises, including vehicles, packages, briefcases, backpacks, bags and wallets. Articles of personal property found on the premises should be returned to the owner, if known, or to the Human Resource Department. Inquiries regarding lost property should be directed to the Human Resource Department.

In addition, the **Company may inspect or monitor any Company property at any time without notice**, including without limitation: the contents of lockers, storage areas, file cabinets, desks, Electronic mail, voice mail/message systems, and computers or work stations. Company shall have the right to remove all Company property and other items that violate Company rules and policies. **Employees should have no expectation of privacy when using any Company property or electronic service.**

43. No Solicitation, No Distribution Rule

Employees shall not engage in solicitation of any kind on the premises of the Company during any time they are expected to be working or solicit any employee who is expected to be working. Furthermore, employees shall not distribute any kind of notices, circulars, or written materials at any time they are expected to be working or at any time in working areas, and there shall be no littering or loitering on the premises. The posting of notices, signs, or written material of any kind on the Company's premises is prohibited unless authorized in writing by the Human Resource Department. Violation of this provision is grounds for discipline, up to and including termination.

44. Procedures for Personal Conduct

The Company has certain established guidelines which allow our employees to work in a safe, clean environment and which provides for efficiency in operations. These work rules are incorporated as part of the employee handbook to eliminate future misunderstandings so that all employees know in advance what is expected of them. These rules are largely the same practices the Company has been following for years and are merely formalized in writing here in your interest. Abuse of these guidelines will lead to disciplinary action, up to and including immediate discharge. The following list, which is merely representative of conduct which will result in disciplinary action, is not intended to be all-inclusive. It is the responsibility of every

employee to know and follow these rules. The use of disciplinary action of any degree shall not alter the employee's at-will employment status with the Company.

The following offenses are considered **CLASS A** and will subject an employee to immediate discharge:

- (a) Damage to the Company, Company property or to the property of others on the Company premises which is deliberate or the result of gross carelessness.
- (b) Consuming, possessing or being under the influence of alcoholic beverages, drugs, or narcotics on Company premises, including the parking lots, breaks, and lunches.
- (c) Insubordination, including refusal to comply with any work assignment or instructions from the supervisor or any management official, or disobedience of any Company rule or regulation after it has been specifically called to the attention of the employee.
- (d) Bringing weapons or explosives onto Company property.
- (e) Belligerent, defiant, abusive or threatening conduct or speech towards any employee, customer, supplier, or any guest of the Company.
- (f) Fighting, shoving, scuffling, throwing objects, or inciting other persons to engage in such actions on Company property or on property customarily or temporarily used by the Company or its employees.
- (g) Gambling or bookmaking on Company property.
- (h) Posting notices without authorization, defacing or removing notices, labels or MSDS's posted by the Company on Company property or disabling safety devices.
- (i) Theft or dishonesty in any form, including unauthorized removal or attempted removal of any Company property (including confidential and proprietary information), records, or the property of others while on Company grounds or the failure to report any theft or dishonesty immediately.
- (j) Sleeping during work hours.
- (k) Failure to report a personal injury occurring in the course of employment at the time it occurs, unless physically unable to do so.
- (l) Regardless of when discovered: Falsification of the time and attendance system, other employment records, including medical statements; making an entry in the time and attendance system or other record without authorization or utilizing another employees clock number for any reason.

- (m) Violation of the "No Solicitation, No Distribution Rule".
- (n) Failure to cooperate in an inspection of personal property brought onto the Company's premises or an inspection of any Company property.
- (o) Violation of the Safety Policy, Section 6a and 6b.

Violation of the following **Class B** offenses generally will result in progressive discipline. Under certain circumstances, immediate discharge may be appropriate

- (a) Smoking in unauthorized areas or at unauthorized times. (See smoking policy below)
- (b) Excessive tardiness and failure to return as scheduled from lunches and breaks.
- (c) Excessive absenteeism or failing to report to work as scheduled.
- (d) Engaging in horseplay or disorderly conduct on Company premises, or obscenity during work hours, including practical jokes.
- (e) Carelessness with or destruction of Company property.
- (f) Loafing or loitering during work hours.
- (g) Quitting early without permission of one's supervisor except in the case of a bona fide emergency.
- (h) Failure to follow the defined safety practices.
- (i) Entering or remaining in the plant during non-scheduled hours without prior authorization.
- (j) Work below acceptable levels of performance.
- (k) Failure to immediately proceed to the workstation and be ready to begin work once on Company time.
- (l) Attempting to enter the plant when there is reasonable doubt of the ability to work safely.
- (m) Performing any overtime work without prior authorization from a supervisor.
- (n) Parking in an unauthorized area.

- (o) Failure to punch out at lunch time or any other time when leaving Company property.
- (p) Not reporting damage to tooling or mis-hit immediately to a supervisor.
- (q) Absence from work without calling or getting prior approval from the department manager.
- (r) Failure to correctly complete all required information in time and attendance system, in-process sheets, or move tickets.
- (s) Providing false or incomplete information on your employment application.
- (t) Use of personal communication devices during work hours, unless authorized to do so.

Depending on the nature and circumstances of the incident, progressive disciplinary action will normally take the form of verbal warning, written warning, second written/suspension, and termination.

Again, these lists of Class A and Class B violations are NOT all inclusive. Notices of warnings will remain active in an employee's file for 365 consecutive days following the date of issue.

We are not normally concerned with an employee's off premises behavior unless it harms the Company's reputation or product, renders employees unable to perform their duties or capably report to work, or leads to the refusal, reluctance or inability of other employees to work with them. Continued employment would then be evaluated, depending on the circumstances.

45. Smoking Policy

Smoking is only allowed during lunches and breaks, and only in designated areas, NOT during working hours.

It is the responsibility of those who are smoking and using the area to keep it clean. If the area is considered "unkept" then it will be closed down and the privilege will be revoked.

Employees are not to smoke in any other areas aside from those assigned or during non-lunch or break periods. Failure to comply with this policy will be considered a Class B violation and disciplinary action will follow. See Human Resources or a department manager for current designated smoking areas.

46. Attendance Policy

The Company employs people with the expectation that they will regularly report for work on time and on a daily basis. Poor, irregular and uncertain attendance disrupts the Company's productivity, efficiency and responsibility to our customers.

The following absences will not count as unexcused absences according to this policy:

- (a) Court subpoena or summons
- (b) Jury Duty
- (c) Approved leaves of absence, including medical leaves of absence and other leaves pursuant to the Family Medical Leave Act
- (d) Holidays and scheduled time-off
- (e) Approved funeral leave
- (f) Disciplinary suspensions
- (g) Severe weather or other extenuating circumstances at the Company's sole discretion
- (h) An employee that, in the Company's sole discretion, has a valid reason and requests advance permission on an excused absence form at least one (1) day prior from the department manager.
- (i) Any other absence excepted by then prevailing law.

Other than above excused absences, ALL other absences will be counted in the attendance point system. Each unexcused absence will result in one (1) point.

Reporting late for work or leaving early (with proper notice to a supervisor) will count as one-half (1/2) point. Failure to appear for scheduled overtime will also be deemed as unexcused and will result in one (1) point. *A no call or no show will result in two (2) points.*

No call or no show for two consecutive days will be deemed a "voluntary quit" by the employee.

Walking off the job without proper notice to a supervisor will be deemed a "voluntary quit" by the employee.

Disciplinary Procedure:

- 2.5 Active points -- verbal warning
- 5 Active points-- written warning
- 7.5 Active points-- final written
- 10 Active points-- termination of employment

Points are calculated for one rolling year. Therefore any points older than one calendar year from the date of the occurrence will become inactive.

Employees may reverse points by maintaining 100% perfect attendance for each consecutive 30 day period. Working all scheduled hours, without ANY charged points during this period, will result in a one point deduction from the employee's point total. **However, employees who have received 15 or more points (whether any have become inactive or have been reversed or not) within any one rolling year will be subject to termination.**

Reporting an Absence

Whenever an employee knows that they will be absent from work they must call their department manager **in person, themselves** within 2 hours of their shift start time, otherwise they will be considered a "No Call/No Show". They must speak directly with: their Department

Manager/Supervisor; a Department Manager/Supervisor from another area; or the Human Resource Department. If all of these parties are unavailable, the employee should: find out with whom they are speaking and/or leave a voice message; and CALL BACK when and until their supervisor or HR is available. **Voice messages alone are not sufficient** to satisfy the “call in” requirements of this section.

Calls or notices from third parties are not acceptable substitutes; calls from family or household members are acceptable ONLY when the employee is physically incapacitated and not able to call.

An employee MUST call each day they are off, unless they are authorized by the Human Resource Department to do otherwise.

Additional points will not be issued for a “Related Incident”. A Related Incident is an additional absence necessitated by same reason as the original absence. Absences of more than one day in duration (consecutively taken), will count as one occurrence if calling off for the same reason. After five (5) consecutive days, the associate must put in a request for a Leave of Absence through the Human Resource Department.

New Hire Attendance

Below is a rating scale for an associate during any 90 day orientation period.

0	=	Excellent
½	=	Good
1-1 ½	=	Average
2	=	Needs Improvement
2 ½	=	Unacceptable/Termination

- At 2 points or more, the Company may choose to continue the orientation period for another 30-90 days to allow for attendance to improve.
- At 2 ½ points, termination is recommended unless special circumstances exist.

47. Lateness

Any time an employee knows or can anticipate that they will be late, they must call their department manager or supervisor no later than the beginning of their shift start time. When they arrive, they **should NOT** report to their workstation until they have contacted their department manager or supervisor unless previous arrangements were made.

Lateness also includes returning back late from lunch.

48. Leaving Early

Any time employees need to leave prior to the end of their scheduled shift, they must request and receive written permission from the department manager. If the request was at least one day in advance and granted, no points will be issued. If the above conditions are not satisfied prior to leaving, 1/2 of an attendance point will be received for leaving early and working less than their scheduled shift. If the request is denied, an appeal may be made to the Human Resource Department. If it is still denied, the scheduled hours must be worked.

49. Extended Absence

Employees must contact the Human Resource Department or, only in cases where the Employee is absolutely physically unable to do it for themselves, have someone make contact for them and request a leave of absence if they anticipate an absence extending beyond any three (3) consecutive work days.

50. Physician's Statements

Statements of treatment from attending physicians or other statements may be required to substantiate the ability to perform regular duties after an extended medical absence, or if you miss **three consecutive scheduled work days** due to one illness or injury.

51. Unlawful Harassment Policy

A. Policy

It is the Company's policy that there shall be no harassment of any employee on account of an employee's sex, age, race, religion, sexual orientation, disability or national origin. In furtherance of this policy, the Company does not condone and will not permit unlawful harassment of any employee. All employees are expected to abide by this policy. Anyone who violates this policy will be subject to disciplinary action up to and including discharge.

B. Definition of Sexual Harassment

Sexual harassment refers to behavior of a sexual nature, which is unwelcome and personally offensive to its recipients. Sexual harassment is a form of employee misconduct, which is demeaning to another person and undermines the integrity of the employment relationship.

Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature constitute "sexual harassment" when:

1. submission to such conduct is made explicitly or implicitly a condition of an individual's employment;
2. submission to or rejection of such conduct is used as a basis for an employment decision affecting the employee; or
3. the harassment has the purpose or effect of unreasonably interfering with the employee's work performance or creating an environment, which is intimidating, hostile, or offensive to the employee.

For example, unwanted physical contact, foul language, sexually oriented propositions, jokes or remarks, obscene gestures or the display of sexually explicit pictures, cartoons or other materials may be considered offensive to another employee, and thus, should not occur.

C. Complaint Procedure

Any employee who feels that he or she has been unlawfully harassed should immediately report the matter to his or her supervisor. If that person is unavailable or the employee believes that it would be inappropriate to contact his or her supervisor, the employee should immediately contact either Human Resources, or a Company officer including the President.

Any supervisor or manager who becomes aware of any possible unlawful harassment should immediately advise the Human Resource Department or a Company Officer who will handle such matters in a lawful manner to ensure that such conduct does not continue. All complaints of unlawful harassment will be investigated as discreetly and confidentially as possible. No person will be adversely affected in employment with the Company as a result of bringing good faith complaints of unlawful harassment.

52. Call Back Pay

Should employees be called back to work after having completed the scheduled workday, clocked-out and left the premises, they will receive a minimum of two-(2) hours pay. If called in on a non-scheduled workday other than a Sunday or holiday, they will receive a minimum of four-(4) hours pay. If called in on a Sunday or holiday, they will receive a minimum of four-(4) hours double-time pay.

53. Substance Abuse Policy

A. Policy

The Company, its management and its employees all have a vital interest in maintaining a safe and productive work environment. Employees who work while under the influence of drugs or alcohol pose a serious safety and health hazard to themselves, their coworkers, and third parties. In addition, drug or alcohol abuse turns to higher turnover, absenteeism and significantly interferes with and impedes the Company's efficient operations.

The Company's growth and future depend upon the physical and psychological health of its employees. Accordingly, the Company working with its employees, intends to maintain a safe, healthy and efficient work environment for all of its employees.

With these objectives in mind, the Company has developed the following policy and procedures on alcohol and drug abuse:

- 1. Alcohol.** The possession, sale, purchase or use of alcohol on the Company's premises is prohibited. In addition, employees may not report to work or be on the Company's premises while under the influence of alcohol.
- 2. Legal Drugs.** Employees may not use or have traceable in their system any legal drug while on Company time or while on the Company's premises to the extent said drug may adversely affect the employee's safety or job performance or the safety or job performance of others. It is the responsibility of the employee to insure that he/she does not violate this requirement. An employee will not avoid discipline under this policy by producing a prescription or otherwise disclosing his/her use of the legal drug after being selected for drug testing. However, an employee will not be subject to discipline for traceable drugs if:
 - when requested by the Company, he/she provides a current statement from his/her physician certifying that he/she is fit for duty and
 - he/she is not consuming such legal drugs in a manner contrary to the prescription, the drug's label or his/her physicians advise.

3. Illegal Drugs. The possession, sale, purchase or use of any illegal drug while on the Company's premises or while on Company time is prohibited. Employees may not report to work or be on Company time or on the Company's premises with an illegal drug traceable in their systems.

ANY EMPLOYEE WHO VIOLATES THIS POLICY MAY BE DISCHARGED.

B. Definitions

For purposes of this drug and alcohol policy, the following terms shall have the following meanings:

- **"Company Premises"** shall include, without limitations, the offices, parking lots, and all other property owned or leased by the Company
- **"Legal Drug"** means any substance the possession or sale of which is not prohibited by law, including prescription drugs and over the counter drugs.
- **"Illegal Drugs"** means any controlled substance the possession or sale of which is prohibited by law.
- **"Under the influence of alcohol"** means that the employee has a blood alcohol level of at least .02% or otherwise exhibits behavior demonstrating that the ability to perform job duties has been impaired by alcohol.
- **"Traceable in the employee's system"** means that the result of a laboratory's analysis of the employee's urine or blood specimen is positive for the tested substance pursuant to the standards set forth in this policy.

C. Procedures

1. Pre-Employment Testing. All applicants for employment with the Company shall be required to submit breath, blood, and /or urine specimens for laboratory testing for illegal drugs and alcohol at the medical clinic of the Company's choice. Applicants will be notified at the time of the application that the employment is contingent upon passing the test. Applicants whose test results are positive for alcohol or illegal drugs will not be hired, but may reapply after six months.

2. Testing of Employees

(a) The Company may relieve an employee from duty and require the employee to provide a specimen for laboratory testing or to take a breathalyzer test, at the medical clinic of the Company's choice if:

- (i) The Company has **"Reasonable Suspicion"** to believe that the employee is under the influence of alcohol or has a legal or illegal drug traceable in his system. For purposes of the policy, "reasonable suspicion" shall mean suspicion based on specific personal observations that the Company's representatives can describe concerning the employee's appearance, behavior, speech, breath, body odor, or other physical indicia of possible drug and /or alcohol use. Reasonable suspicion also may be based upon the observation of behavior or work performance changes

which raise an inference of drug and/ or alcohol use, or direct observation of alcohol or drug use or possession by a supervisor.

- (ii) The employee is involved in any work-related accident occurring on the Company's premises which requires medical treatment at an off-site medical facility. This includes any incidents which cause physical harm to another employee.
- (iii) **NOTICE: Ohio workers' compensation law requires us to provide notice about "rebuttable presumption" in connection with workplace injuries. Rebuttable presumption means that an employee must dispute or prove untrue the presumption (or belief) that alcohol or a controlled substance not prescribed by the employee's physician is the proximate cause (i.e., main reason) of a work-related injury. The burden of proof is on the employee to prove this. An employee who tests positive or who refuses to submit to testing may be disqualified for compensation and benefits under the Workers' Compensation Act.**

(b) If an employee is eligible and successfully completes any alcohol or substance abuse rehabilitation program, the employee will be subject to random testing for a period of one year after reinstatement. Such random testing shall not occur more than six times during the year following reinstatement. If a positive test occurs, the employee will be subject to discharge. This paragraph shall not be construed so as to limit the Company's ability to request an employee to submit to testing as provided in sections C.2(a)(i) and (ii) above.

(c) If possible, the supervisor who made a referral for drug or alcohol testing pursuant to Sections C.2(a)(i) and (ii) above shall, before the end of the shift, complete and sign an **"observation check list"** setting forth the facts upon which such supervisor relied in making the referral for drug or alcohol testing. A copy of the observation checklist shall be provided upon request to the subject employee.

(d) Specimen collection will occur in a medical setting and the procedures shall not demean, embarrass or cause undue physical discomfort to the employee.

(e) An employee who tests positive for drugs and/or alcohol shall, at the employee's expense if any, have the opportunity to review the test results and, if desired, a reasonable opportunity to rebut those results. A copy of the test results will be provided, upon request, to the subject employee.

THE DETERMINATION OF WHETHER OR NOT THERE IS SUFFICIENT REASON TO REQUIRE A LABORATORY TEST SHALL BE SOLELY WITHIN THE DISCRETION OF THE COMPANY.

3. Consent. If requested by the appropriate medical personnel, the applicant or employee shall sign a consent form authorizing the clinic to withdraw a specimen or to conduct a Breathalyzer test, and to release the results of the laboratory testing to the Company.

4. Refusal to Provide Specimen or Consent

(a) Any applicant who refuses to provide a specimen or take a Breathalyzer test will not be hired.

(b) Any employee who refuses to provide a specimen, or to take a Breathalyzer test where the Company may request such tests, or who refuses to sign a consent form, shall be suspended pending discharge.

5. Chain of Possession Procedure. At the time specimens are taken, the employee or applicant shall be given a copy of the specimen collection procedures; the specimens must be immediately sealed and labeled. The employee or applicant shall initial the specimens to ensure that the specimens tested by the laboratory are those of the employee or applicant. The required procedure is as follows:

(a) The blood specimen, if to be drawn, shall be drawn with as little delay as reasonably possible. Immediately after the specimens are drawn, the individual test tubes shall, in the presence of the employee or applicant, be labeled and then be initialed by the employee or applicant. The employee or applicant has an obligation to identify each specimen and initial it. The specimen shall be placed in the transportation container after being drawn. The container then shall be sealed in the employee's or applicant's presence along with a test requisition form, which includes the employee's or applicant's signature. If samples are to be sent to an outside-designated testing laboratory, the container shall be sent on that day or the soonest normal business day by the fastest available method.

(b) As to the urine specimen, if there is some doubt as to the integrity of the specimen, the employee or applicant will be required to retake the test. The specimen shall then be sealed in the employee's or applicant's presence along with a test requisition form, which includes the employee's or applicant's signature. If samples are to be sent to an outside-designated testing laboratory, the container shall be sent on that day or the soonest normal business day by the fastest available method.

(c) The clinic shall conduct all Breathalyzer tests, if any, in accordance with generally accepted procedures for the administration of such tests.

6. Confidentiality. The results of any blood or urine analysis or Breathalyzer tests shall be kept strictly confidential among the employee or applicant, the clinic, any outside laboratory used by the clinic and the Company. However, the Company may use the results to decide upon any action to be taken towards an employee or applicant, or to the extent necessary, to defend its action in subsequent legal or other proceedings.

7. Treatment. The Company, in its sole discretion, may require any employee who violates Sections A.1, 2 or 3 of this Policy as a condition of employment and in lieu of discharge, to undergo alcohol or drug rehabilitative treatment at the facility recommended by the Company. To the extent such treatment or counseling is not paid for by a third party health care provider, it shall be at the employee's expense. The Company may discharge any employee who fails or refuses to submit to urinalysis, a blood test, a Breathalyzer test, or to undergo rehabilitative

treatment, or whose urinalysis, blood test, or Breathalyzer test is positive, or who cannot pass the urinalysis or blood tests required under Sections C.3 above.

54. Business Files

All business cards, files, books and any work-related material remain the property of the Company upon any employment separation.

55. Workplace Violence

It is the Company's policy that violence (including without limitation actual physical violence or threats of/intimidation by physical violence) should not exist in the workplace as it jeopardizes the safety of employees.

Any employee who believes that they have either witnessed or personally been exposed to any workplace violence or have reason to believe that it might occur in the future must report the matter to their supervisor immediately. If their supervisor is unavailable or the employee believes that it would be inappropriate to contact their supervisor, the employee immediately should contact either the Human Resources Department or a Company Officer. Any supervisor or manager who becomes aware of any incident of workplace violence or other violation of this policy immediately should advise the Human Resource Department or a Company Officer.

Any charge of workplace violence against any employee shall be investigated promptly by the Company and permit the charged employee the opportunity to respond. If the Company finds that an employee has committed an act of violence in the workplace or otherwise violated this policy, that employee shall be subject to disciplinary action up to and including discharge.

56. Use of Photo/Recording/Communication Devices

Any employee operating any motor vehicle while in the course of their employment shall obey all applicable federal, state and local traffic rules and laws and devote their full time and attention to the operation of the motor vehicle. This policy includes but is not limited to employees who have personal or Company supplied cellular or otherwise portable communication devices and further applies to employees using Company supplied communication devices during non-working hours, if permitted. Unauthorized wireless phones with cameras or picture recording devices, and any other electronic recording devices are strictly prohibited inside any Anchor structure. Only a Company Officer is authorized to make written exception to this policy on an as needed basis.

57. Management Guide and Other Policies

In addition to the policies contained in this handbook, certain Employees may be issued and be subject to other policies and work rules, such as the Company's written "Management Guide" or other individual written policies issued separate of this Handbook. In such case, all such policies shall have the same force and effect for such Employee(s) as though fully rewritten in this Handbook.

ACKNOWLEDGMENT

I have received a copy of the Company Handbook and acknowledge that I am expected to read it. I understand this Handbook is not in any way a contract of employment or intended to create any binding legal obligations on the part of the Company to me. I understand that my employment can be terminated for any reason at any time and I can resign my employment for any reason at any time. I understand that no representative of the Company other than the President has the authority to enter into any agreement for any specified period of time or make any promises upon which I can rely, and that such agreement or promises must be in writing and properly signed to be valid.

Employee Name (PLEASE PRINT)

Employee Signature (PLEASE SIGN)

DATE