



# **Yates Industries, Inc.**

## **EMPLOYEE HANDBOOK**

THIS EMPLOYEE HANDBOOK IS NOT INTENDED NOR DOES IT SERVE AS A CONTRACT OF EMPLOYMENT -- EXPRESS OR IMPLIED.

This employee handbook is strictly for informational and guidance purposes in those areas of employment relations covered within it. The information in this handbook reflects the policies, procedures and benefits in effect at the date this handbook is issued. MANAGEMENT OF YATES INDUSTRIES, INC. RESERVES THE RIGHT TO CHANGE, DELETE, OR ADD POLICIES, PROCEDURES OR BENEFITS AT ANY TIME, IN ITS SOLE DISCRETION, WITH OR WITHOUT NOTICE.

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SECTION I  
GENERAL INFORMATION

## **APPLICABILITY OF HANDBOOK**

Welcome to Yates Industries, Inc. The following handbook is a general description of the operating policies and procedures of Yates Industries, Inc., Yates Industries South, LLC, Yates Cylinders Georgia, LLC, and Yates Cylinders Ohio LLC (*hereinafter referred to collectively as “Yates Industries, Inc. or the “Company” unless the context requires otherwise).*

## **RESERVATION OF RIGHTS**

Yates Industries, Inc. reserves the right to make changes in policies, procedures, or benefits at any time, with or without notice. Changes in policies, procedures, or benefits described in this handbook must be approved and signed by the CEO of Yates Industries, Inc. No one is authorized to alter, add to or delete from the policies stated in the handbook through oral or written statements except as stated above.

## **EXCLUSIVE POLICY STATEMENT**

The policies stated in this employee handbook are the exclusive policies of Yates Industries, Inc. This means that the policies described in this handbook supersede all previous policies, practices, and/or verbal statements of anyone associated with Yates Industries, Inc., its predecessors, and authorized agents.

## **STANDARD OF EMPLOYMENT**

Employment with Yates Industries, Inc. is “at-will”. This means that an individual employee or the Company may terminate the employment relationship at any time, with or without cause, with or without notice. This standard of employment is applicable to all employees, regardless of status. No representative of the Company has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the foregoing with the exception of an agreement in writing, titled “Employment Agreement”, signed by the CEO of the Company. This handbook is not intended as nor does it create or imply the existence of a contract of employment. Any claim or lawsuit related to an employee’s service with the company must be filed no more than six (6) months after the date of the employment action which is the subject of the claim or lawsuit.

## **EMPLOYMENT ELIGIBILITY VERIFICATION**

The Company is committed to employing only those who are authorized to work in the United States and does not unlawfully discriminate based on citizenship or national origin. In compliance with the Immigration Reform and Control Act of 1986, as amended, each new employee, as a condition of employment, must complete the Employment Eligibility Verification I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with the Company within the past three years, or if their previous I-9 is no longer retained or valid.

The Company may use E-Verify, an electronic system operated by the federal government, to allow an employer to determine the eligibility of an employee to work in the United States using information reported on that employee’s I-9.

## **EQUAL EMPLOYMENT OPPORTUNITY / AFFIRMATIVE ACTION POLICY**

Yates Industries, Inc. is an equal employment opportunity employer and provides employment and advancement opportunities to its employees without discrimination because of race (including without limitation hair style and/or hair texture), color, religion, sex (including pregnancy and conditions related to pregnancy), sexual orientation, gender identity, weight, height, age, marital status, national origin, citizenship, disability, genetic makeup, military or veteran status, misdemeanor arrest record (not resulting in conviction) or any other protected characteristic as established by law. This policy of equal employment opportunity applies to all policies and procedures relating to recruitment and hiring, compensation, employee benefits, promotional opportunities, disciplinary decisions, termination and all other terms and conditions of employment.

If an employee believes that they have been the victim of discrimination, they should report that fact immediately to their Supervisor, any Manager, HR personnel, or the Controller/HR Manager. After receiving such a complaint, the Controller/HR Manager and/or HR personnel will undertake a full and complete investigation of the charges. If it is determined that discrimination has occurred, the Company will take steps to eliminate that discrimination and take disciplinary action against any employee whom it determines engaged in discriminatory behavior. Yates Industries, Inc. prohibits retaliation against any employee who reports discrimination or harassment or participates in an investigation of such reports.

## **NEED FOR ACCOMMODATION**

The Company complies with the Americans with Disabilities Act (ADA), the Americans with Disabilities Act Amendments Act (ADAAA) and applicable state and local laws providing for nondiscrimination in employment against qualified individuals with disabilities. We are committed to providing equal employment opportunities to all individuals, including those with disabilities. The Company is committed to engaging in an interactive process to determine the availability of a reasonable accommodation to any qualified individual who:

- Requests an accommodation during the application process; or
- Requests an accommodation to enable them to perform essential job functions or gain access to company facilities; or
- Asks for an accommodation to enjoy equal benefits and privileges of employment.

It is the Company's policy to:

- Ensure that qualified individuals with disabilities are treated in a nondiscriminatory manner in the pre-employment process and that employees with disabilities are treated in a nondiscriminatory manner in all terms, conditions, and privileges of employment; and
- Keep all medical-related information confidential in accordance with the requirements of the ADA and the ADAAA and retain such information in separate confidential files; and
- Engage in an interactive process with applicants and employees with disabilities to determine if a reasonable accommodation exists that would allow them to perform the essential functions of the position and would not create an undue hardship on the Company.

Any employee who desires reasonable accommodations for a disability should affirmatively request an accommodation from the Controller/HR Manager or HR personnel in writing. It is the employee's obligation to suggest an appropriate accommodation and the Controller/HR Manager and/or HR personnel will work with employees to evaluate the feasibility of any request.

Under Michigan law only, any person who feels accommodations are needed to perform a job, must notify the Company in writing, of the need for accommodation within 182 days after the employee knew, or reasonably should have known, that an accommodation was needed.

## **NON-DISCRIMINATION AND ANTI-HARASSMENT POLICY**

Yates Industries, Inc. is committed to a workplace which is free of discrimination and harassment and is also free from virtual harassment as defined by the EEOC. The Company expects all individuals to be treated with respect and dignity at all times. Everyone has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, Yates Industries, Inc. expects that all relationships among persons in the workplace, including customers, clients or third parties, will be free of bias, prejudice, and harassment.

### **Definitions of Harassment**

#### *Discriminatory Harassment*

Discriminatory harassment is defined as unwelcome advances, requests for favors, and other verbal or physical conduct or communication based on religion, race, color, national origin, age, sex (including pregnancy), sexual orientation, gender identity, height, weight, marital status, partisan considerations, disability, or genetic information under any of the following conditions:

- Submission to such conduct or communication is made a term or condition, either explicitly or implicitly, to obtain employment.
- Submission to or rejection of such conduct or communication by an individual is used as a factor in decisions affecting such individual's employment.
- Such conduct or communication has the purpose or effect of substantially interfering with an individual's employment or creating an intimidating, hostile or offensive employment environment.

Under this policy, harassment constitutes verbal or physical conduct that denigrates or shows hostility or aversion towards an individual because of any protected characteristic as established by law; or that of the employee's relatives, friends or associates and that: a) has the purpose or effect of creating an intimidating, hostile or offensive work environment; b) has the purpose or effect of unreasonably interfering with an individual's work performance; or c) otherwise adversely affects an individual's employment opportunities. Yates Industries, Inc. prohibits any sexual or other discriminatory, harassing behavior. This behavior is a serious violation of Yates Industries, Inc.'s policies and procedures. These policies apply to all applicants and employees



and prohibit harassment, discrimination, and retaliation, whether engaged in by fellow employees, by a supervisor or manager, or by a customer, client, vendor, or other third party.

**PROHIBITED BEHAVIORS under this Policy, include, but are not limited to:**

- Requests for sexual favors;
- Talking about or calling attention to another person's body or sexual characteristics;
- Unwelcome physical contact, including but not limited to hugging, rubbing, touching, patting, pinching, or brushing another person's body;
- Crude or offensive language, degrading words or comments, sounds, innuendo, slurs, gestures, negative stereotypes, threats, or jokes, whether communicated verbally, by electronic mail, or otherwise, used to denigrate an individual's age, color, disability, height, genetic information, marital status, national origin, partisan considerations, race, religion, sex, sexual orientation, or weight;
- Displaying pictures, letters, objects, graffiti, screen savers, cartoons, calendars, posters, or other visuals used to denigrate an individual's age, color, disability, height, genetic information, marital status, national origin, partisan considerations, race, religion, sex, sexual orientation, or weight;
- Continuing certain behavior after another person has objected to that behavior;
- Sexist comments made during a video/virtual meeting;
- Racist jokes told or spoken, sent via email, or any other method of communication;
- Any offensive communication conveyed using work-related systems, accounts or platforms – including the company's email system, electronic bulletin board, instant message system (Teams), videoconferencing technology, intranet, public website, or official social media accounts; or
- Improper or offensive virtual conduct occurring over private telephones, commuters, and social media especially if it impacts the workplace.

### **Reporting Violations**

Yates Industries, Inc. strongly encourages all individuals to report all incidents of discrimination, harassment, or retaliation, regardless of the offender's identity or position, or status as a non-employee or vendor. If you are a witness to or subjected to any form of discrimination or harassment, you should report such conduct in writing, as soon as possible to your immediate supervisor, HR personnel, Controller/HR Manager, Vice President, or the CEO, whom you feel comfortable reporting such conduct. The report may not be made to a person who is the subject of the concern. Employees are not obligated to bring their complaints to their immediate supervisor before bringing the matter to the attention of HR personnel, Controller/HR Manager, Vice President, or CEO.

Early reporting and intervention have proven to be the most effective methods of resolving actual or perceived incidents of harassment. Therefore, the Company strongly urges immediate reporting of complaints or concerns so that rapid and constructive action can be taken. The Company will

make every effort to stop alleged harassment before it becomes severe or pervasive but can only do so when it receives a complaint or knows of policy violations and can only protect an employee from retaliation by the alleged harasser (or another person) if it becomes aware of the retaliation.

Reported allegations of harassment, discrimination or retaliation will be investigated promptly, thoroughly, and impartially. To the extent feasible, complaints will be handled confidentially. Untimely complaints will be investigated to the extent it is still possible. An employee's failure to report suggests that the employee is not offended by or welcomes the conduct or comments or is otherwise disinterested in having any concerns investigated and/or addressed. The Company may require a written statement and, if required, the employee must provide such a statement. An investigation may include interviews of possible witnesses, including the person alleging that the harassment occurred, and the person or persons claimed to have committed the harassment. The privacy of the person issuing the complaint and of the person accused and the steps taken in the investigation will be protected to the extent reasonably practicable except that the Company will report its findings to the person making the complaint and to the person or persons who are claimed to be involved.

Anyone in a management or supervisory position who becomes aware of any potential harassment or discrimination, even if told in confidence, is required to notify a Supervisor, HR personnel, Controller/HR Manager, Vice President, or the CEO (who is not the subject of the concern) immediately. It is the duty of every employee to cooperate in any such investigation.

## **RETALIATION PROHIBITED**

Yates Industries, Inc. prohibits retaliation against any individual who reports discrimination and harassment or participates in an investigation of such reports. Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action.

Employees should immediately report inappropriate and/or retaliatory conduct to one of these individuals who is not the subject of their concerns, a Supervisor, HR personnel, Controller/HR Manager, Vice President, or the CEO. Untimely complaints of retaliation will be investigated to the extent still practicable. An employee's failure to report suggests that the employee is disinterested in having any concerns investigated and/or addressed.

Misconduct constituting harassment, discrimination or retaliation will be dealt with promptly and appropriately and appropriate disciplinary action taken, up to and potentially including immediate termination of employment.

Violations of this policy are considered serious and because the Company has a higher standard of professionalism required of its employees than required by state or federal law, an employee may be disciplined for violating this policy even though the employee has not violated state or federal civil rights laws. Also, all complaints must be brought in good faith. An employee who knowingly makes a false complaint shall be subject to disciplinary action.

## **DIVERSITY POLICY**

Yates Industries welcomes and encourages diversity, recognizing it as a key competitive advantage. The value of different backgrounds and perspectives should not be overlooked. Having a diverse workforce assists us in looking at all situations from a variety of angles and encourages the development of innovative ideas and solutions. Embracing and understanding what each employee's background and perspective can contribute greatly, giving us a competitive edge.

Some types of diversity are as follows:

- Life experience
- Work experience
- Perspective
- Culture
- Ethnicity
- Gender
- Age

Respecting each individual and recognizing the value that we each bring to our team is essential. By creating a supportive environment that allows everyone to perform to their potential, we achieve success.

## **COMPLAINT POLICY**

Yates Industries Inc. strives to be responsive to our employees' concerns. We understand that problems, misunderstandings, and frustrations may arise from time to time. Therefore, we encourage open communication. Any concerns employees have should be promptly reported to management so that a solution may be devised. To facilitate this, an employee may use the procedure outlined in this policy to resolve or clarify their concerns.

All complaints should be made in good faith. A complaint form can be found on the employee ADP workforce now portal or you may request a paper copy from Human Resources.

Step 1: It is recommended the employee discuss the situation with their immediate supervisor first. If the issue involves the employee's supervisor, the employee may discuss it with another member of management or Human Resources. The party the complaint was submitted to should promptly respond to the employee within five working days of meeting with the employee about this issue.

Step 2: If the issue is not resolved to the mutual satisfaction of the employee and supervisor, or if the supervisor fails to respond within five working days, the employee may submit a written complaint to another member of management, but preferably Human Resources. The employee may ask Human Resources staff for assistance in writing the complaint. The employee has five working days from when the initial decision was received to submit this second-level complaint.

The written complaint should include:

- An explanation of the incident and the date the incident occurred
- Suggestions for ways to resolve the problem
- A copy of the immediate supervisor's written response or a summary of their verbal response and the date when the employee met with the supervisor. If the supervisor provided no response, this should be stated.

Upon receipt of the complaint, Human Resources will schedule a meeting with the employee. This meeting will take place within five working days of receiving the complaint. Within five working days of this meeting, the supervisor should issue a decision orally and in writing to the employee.

Step 3: If the employee is dissatisfied with the decision received through Step 2, they may appeal the decision. Appeals must be submitted, in writing, to Human Resources within five days of receiving the supervisor's decision.

Human Resources may meet with the parties involved to facilitate a resolution. Human Resources will submit a final resolution to the CEO for their approval. Then, the final decision will be provided to the employee both in writing and orally. Human Resources will provide the employee with the final decision no more than 15 working days from the date it was received. The decision cannot be appealed beyond this step.

Examples of some complaint's employees may have:

- Suggestions for improvement
- Concerns about working conditions
- Issues with co-workers
- Concerns about treatment at work

If an employee fails to appeal from one step to the next within the time limit of five working days, the issue will be considered settled based on the last decision provided.

Yates Industries Inc. reserves the right to impose disciplinary action for any conduct it considers disruptive or inappropriate. The circumstances of each situation may differ, and the level of management action may vary depending on the factors of the situation.

No Yates Industries employee will be subject to retaliation for filing a complaint under this policy.

When a complaint is voiced, management will do its best to promptly remedy the situation. Every employee may not be satisfied with every solution; however, employee input is valued, and Yates Industries wants to foster an environment where all employees feel comfortable reporting their concerns.

## **PREGNANT WORKERS FAIRNESS ACT**

In accordance with the Pregnant Workers Fairness Act (PWFA), the Company will provide reasonable accommodations, absent undue hardship, to a qualified employee or applicant with a known limitation related to, affected by, or arising out of pregnancy, childbirth, or related medical conditions. A request for a reasonable accommodation due to pregnancy can be made verbally or

in writing to a member of the HR Team. Examples of possible reasonable accommodations include the ability to sit or drink water; receive closer parking; have flexible hours; receive appropriately sized uniforms and safety apparel; receive additional break time to use the bathroom, eat, and rest; take leave or time off to recover from childbirth; and be excused from strenuous activities and/or activities that involve exposure to compounds not safe for pregnancy.

## **LACTATION ACCOMMODATION**

As required by the PUMP Act and in accordance with applicable law, the Company will provide break time and break places for nursing mothers to express milk for up to one year following the birth of a child. Breaks will be provided as frequently as reasonably needed by the nursing mother.

The Company will provide a place that is functional as a space for expressing milk (other than a bathroom) and for the safe storage of breast milk. While the Company will not create a dedicated space for nursing mothers to use, a space will be available when needed which is shielded from view and free from any intrusion from co-workers and the public. Generally, such break periods will not be paid, unless the employee expresses milk during an already provided paid break period or is authorized to perform working during such break period. Employees must punch out prior to taking such breaks and punch in when returning to work unless authorized to work during the break, in writing.

If following delivery, an employee has the need for breaks/space for expressing milk and/or questions regarding storage of breast milk, contact your supervisor or Human Resources.

## **GENETIC INFORMATION NON-DISCRIMINATION**

The Company shall not discriminate in any term or condition of employment or make any employment decisions based on genetic information of the employee or their family members and it shall not acquire any such information except as permitted under the Genetic Information Non-Discrimination Act of 2008.

In general, exceptions may include information obtained inadvertently or in connection with wellness programs, where information is necessary to comply with the certification provision of the Family and Medical Leave Act (should that apply to the Company), where commercially and publicly available information is purchased, where genetic monitoring is conducted of the effects of toxic substances in the workplace in compliance with OSHA regulations and for law enforcement purposes.

The Company shall treat genetic information as confidential medical records and comply with confidentiality requirements of the Americans with Disabilities Act and the Health Insurance Portability and Accountability Act of 1996, and any disclosure shall be in compliance with applicable state and federal laws.

The Genetic Information Non-Discrimination Act does not prohibit "the use, acquisition, or disclosure of medical information that is not genetic information about a manifested disease, disorder, or pathological condition of an employee or family member, including a manifested disease, disorder, or pathological condition that has or may have a genetic basis." Genetic information generally means information derived from a genetic testing which analyzes human

DNA, RNA, chromosomes, proteins, or metabolites and that detects genotypes, mutations or chromosomal changes and the manifestation of a disease or disorder in family members of an individual.

## **MICHIGAN RIGHT TO KNOW LAW**

Michigan's Right to Know Law entitles an employee to information concerning the chemical composition of hazardous substances used in and around the employee's job. You have a right to know about any hazardous chemicals and materials in the workplace. If you have any questions or concerns, contact your supervisor immediately.

## **WHISTLEBLOWER**

A whistleblower, as defined by this policy, is an employee of the Company, who reports an activity that they consider as being illegal or dishonest to one or more of the parties specified in this policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; management is charged with these responsibilities.

Examples of illegal or dishonest activities are violations of federal, state or local laws. If an employee has knowledge of or a concern of illegal or dishonest fraudulent activity, the employee is to immediately contact the Human Resource Manager or the CEO (an individual who is not the focus of the concern).

Employees must exercise sound judgment to avoid making knowingly baseless allegations or acting with reckless disregard of the truth or falsity of such allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

Whistleblower protections are provided in two important areas - confidentiality and against retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, the whistleblower's identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. The Company will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threat of physical harm.

Any whistleblower who believes they are being retaliated against must contact the Human Resource Manager or the CEO (an individual who is not the focus of the concern). The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

SECTION II

PERSONNEL POLICIES



## **KEEPING US INFORMED**

Each employee's current address, telephone number, emergency contact, and/or any needed accommodations, and any information about family status must be recorded in the Company personnel records. It is the employees' responsibility to make any changes in this information through the employee ADP workforcenow portal as soon as changes occur. This is very important to each employee and the Company in the event of an emergency and in connection with such things as Social Security, withholding taxes, insurance benefits, letters to your home, changes in work schedules, etc. Please update information whenever changes occur especially in the following areas:

- (1) Change of home/mailling address and/or telephone number;
- (2) Marital status; marriage, divorce, or legal separation, etc.;
- (3) Birth or death in your immediate family;
- (4) Change in dependent's status;
- (5) Legal change of your name;
- (6) Change in citizenship status;
- (7) Outside employment (moonlighting);
- (8) Change affecting insurance programs, such as desired beneficiaries;
- (9) Any health issue or disability requiring accommodation for your job;
- (10) Any felony convictions during employment.

## **ACCESS TO PERSONNEL FILES**

The Company maintains a personnel file on each employee in ADP workforcenow. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records. It is important to keep these records up to date with accurate information. Any changes in marital status, number of dependents etc. must be reported as quickly as possible.

Personnel files are the property of the Company, and access to the information they contain is restricted. These records are kept locked and are only accessible by the Human Resource Department.

Employees who wish to review their own file should notify the Human Resource Manager in writing. With reasonable advance notice, employees may review their own personnel files in The Company's offices and in the presence of an individual appointed by The Company to maintain the files.

## **RESIGNATIONS**

Although the employee or the Company may terminate the employment relationship at any time, for any reason or no reason, the Company requests that employees provide a two-week notice of their intent to resign. Failure to provide this notice will be noted in the personnel file and may affect the employee's eligibility for re-employment with Yates Industries, Inc.

Upon termination, all property of Yates Industries, Inc. in the employee's possession must be returned to the Company in satisfactory condition.



HR personnel, the employee's supervisor or a manager will conduct an exit interview, if possible, with an employee who terminates. At this time, ALL Company property must be returned including but not limited to laptops, Chromebooks, iPads, mobile phones, keys, keycards, tools, uniforms, manuals, etc. All company data, contacts, or any other information must be permanently deleted from any personal mobile phone, tablet, computer, etc. immediately.

## **EXIT INTERVIEWS**

The Company will generally schedule exit interviews at the time of employment termination. The purpose of the interview is to determine the reasons for leaving and to resolve any questions of compensation, insurance continuation, repayment of any outstanding debts to the Company, return of Company-owned property or other matters related to leaving. Suggestions, complaints, and questions can also be voiced. Failure to cooperate may result in ineligibility for rehire by the Company.

## **INQUIRIES REGARDING EMPLOYEES**

Only the Human Resource Manager or their designee has the authority to provide job references on behalf of Company employees. Anyone providing a reference that has not been authorized pursuant to this policy has done so outside the scope and authority of their position and is subject to discipline up to and including termination. If you receive a request for a reference or information regarding Company employees, please refer it to the Human Resource Manager.

## **PERFORMANCE REVIEW POLICY**

For the purpose of assisting employees to perform to the best of their ability, an evaluation of an employee's performance will be done by their Supervisor from time to time, generally on an annual basis in/around their month of hire. The Company places great importance on employee feedback and provided suggestions for improvement. This evaluation does not infer an employment contract or change the status of The Company's "at will" employment. The objectives for evaluations include the following:

- 1) To evaluate job performance;
- 2) To review/update job description;
- 3) To evaluate the staff as a whole and determine more efficient ways of completing work;
- 4) To provide an objective analysis of the staffing needs of the firm;
- 5) As a means of correcting deficiencies in any employee's performance;
- 6) To enable the employee to give input/suggestions for improvement where necessary;
- 7) To determine training needs;
- 8) To review record of attendance, including tardiness.

In addition, the Company may conduct an additional performance review at any time in the event of an employee promotion, transfer to a new position, or to advise employees of performance or disciplinary problems.

## **SOCIAL SECURITY NUMBER PRIVACY POLICY**

In accordance with the Social Security Number Privacy Act, Yates Industries, Inc. will keep all social security numbers confidential and will not disclose social security numbers unlawfully. Personnel and payroll records are only accessible to the CEO, Vice President, Controller/HR Manager and HR personnel. Any documents containing social security numbers will be destroyed after resignation/termination in accordance with record retention guidelines. Any person who violates this privacy policy is subject to discipline up to and including termination.

## **PRIVACY POLICY DISPOSAL/SHREDDING OF SENSITIVE DATA**

Yates Industries, Inc. has procedures in place for the disposal of sensitive data in compliance with the Federal Trade Commission regulation of 2004. This regulation dictates the proper disposal of consumer report information and records under the Fair and Accurate Credit Transaction Act of 2003 (FACTA, Pub.L. 108-159, 111 stat. 1952) and the Fair Credit Reporting Act (FCRA 15 USC 1681 et seq.). Accuracy, privacy, limits on information sharing, and new consumer rights to disclosure are included in the FACTA. (Pub. L. 108-159, 111 Stat. 1952). These added sections are intended to primarily help consumers fight the growing crime of identity theft.

Sensitive Data includes:

- Personal information including telephone number, address or social security number.
- Credit checks, background check or consumer reports.

All Employees that have access to or obtain sensitive data must keep the information confidential. Should any document containing sensitive data need to be disposed of, such document shall be placed in the designated locked recycle bin for shredding or shredded with a personal shredder. Employees in violation with this policy will be subject to discipline up to and including termination of employment.

## **DISCIPLINARY POLICY**

While employment by Yates Industries, Inc. is “at-will”; at their discretion, HR personnel, supervisors or other management personnel may elect to discipline an employee, as they deem appropriate.

Forms of discipline include, but are not limited to:

Verbal and/or Written reprimands

- Suspension for balance of shift/workday, or one or more days. *Any suspension days off will negatively affect your evaluation. Suspension days may be without pay, in such cases PTO days may not be used.*
- Reassignment
- Mandatory counseling
- Immediate discharge

The objective of our disciplinary policy is to correct an employee's performance and/or maintain the high standard of conduct required by all employees. Additional training may be offered with or without the employee's request. ***A decision to invoke discipline less than discharge does not affect the Company policy that employment is "at-will" and may be terminated by either the employee or the Company at any time, with or without cause, with or without notice.***

While discipline (less than immediate discharge) is intended to encourage an employee to correct their performance, some actions are considered so serious or offensive that immediate termination is necessary. The following is a list of examples of some types of violations that could result in immediate termination of employment. Other violations or repeated violations of Company policies may also result in immediate termination at the Company's discretion. These examples include, but are not limited to:

- Violating any company policies, rules, regulations, or practices;
- Unsatisfactory work performance;
- Insubordination, which means the refusal by an employee to follow a superior's instructions concerning a job-related matter;
- Attempting to improperly use a position with the Company to obtain personal (non-compensation or employee-related) benefits;
- Neglecting job duties and responsibilities;
- Fighting with or committing a verbal or physical assault (including threats) on a fellow employee, a customer, or a third-party;
- Dishonesty;
- Theft or misuse of Company property or the property of another employee or a customer;
- Possession of weapon(s);
- Falsifying or misrepresenting company or employment records, including but not limited to an application for employment, or a time record;
- Negligent or intentional defacing, damaging, or destroying Company property, the property of another employee, or the property of a customer;
- Inappropriate or unlawful conduct on Company property;
- Engaging in unauthorized personal business during work hours;
- Violating the confidentiality of the Company by disseminating information to another regarding Company business, plans, records, or information concerning other employees of the Company;
- Conduct of any type which interferes with or impairs the Company's relationship with any of its' customers;
- Receipt of pay, including illness and disability benefits, under false pretense. This includes kickbacks or money for services rendered during duty on behalf of Yates Industries, Inc.;
- Sleeping, dozing, or napping at any time during working hours;
- Leaving work area without management's authorization;
- Failure/refusal to comply with Company or department safety rules;
- Smoking in an unauthorized area;
- Punching in or out on another employee's time card;
- Excessive tardiness or absenteeism;
- Failure to give proper notice when unable to report for or continue work as scheduled.

## **CORONAVIRUS/PANDEMIC ACTION PLAN**

This plan applies to the coronavirus global pandemic and may apply to any other global pandemic as appropriate. A pandemic flu or outbreak of other infectious diseases may require special policies and procedures to address the unique challenges presented by such an event. This policy addresses the attendance and leave issues that typically are an issue during a pandemic or other outbreak of an infectious disease. The Company will follow all local, state, and federal executive orders and directives that are put in place during a pandemic crisis. It is also our responsibility to follow all guidelines that are put in place by the CDC and other health departments during these times, up to and including temporary closure of departments or the Company as a whole. The goal is always to provide all employees with a safe workplace, especially during any pandemic. Managers, supervisors, employees, and any outside visitors play a critical role in prevention efforts; it is the responsibility of all to understand signs/symptoms, practice good hygiene, practice social distancing, wear a face mask/covering and/or any other recommended method of prevention of spread as applicable under the circumstances. The Company will clean and disinfect all areas, equipment, etc. as recommended by the CDC or other health official in the best interest of the public. In the case of any exposure, it is required that you notify Human Resources, your Supervisor, or any member of our management team as soon as possible so precautionary measures can be taken.

Employees are expected to:

- Follow all local state and federal guidelines that pertain to the pandemic flu or other infectious disease outbreak. This could mean distancing themselves from others in the workplace. Any other guidelines put in place by health departments and the CDC should be followed at all times.
- Report to work when directed to unless they are ill, on approved leave, or are otherwise directed by their healthcare provider. Failure to report to work without the appropriate documentation of these circumstances may result in disciplinary action up to and including termination from employment.
- Monitor themselves to ensure they are not infected by the pandemic flu or another infectious disease. If an employee is showing symptoms of the relevant infectious disease, they will be asked to not report to work and to notify their manager and any other appropriate employees immediately. If the employee has come in contact with somebody who is showing symptoms or has tested positive, they should again, not report to work and notify the appropriate personnel.
- Follow any other necessary guidelines and policies put in place by the Company and the managers in order to ensure the safety of themselves and others in the workplace. These guidelines and policies are put in place in order to minimize the risk of spread of the relevant infectious disease.

The Company may ask employees to leave the facilities at any point during a pandemic flu or infectious disease outbreak. This could be a result of executive orders put in place by the state government or a decision made by the Company.

SECTION III  
WORK RULES

## ATTENDANCE POLICY

The regular, daily attendance of each employee is essential to the successful operation of the Company. All employees are expected to be at their workstation when their shift starts or by the shift buzzer. However, it is understood that unavoidable circumstances may require an employee to be absent or tardy on occasion. If any employee will be absent/tardy, they must notify their Supervisor or a Manager **within ½ hour of their scheduled starting time.**

An employee may call the below phone number or Supervisor's (or a Manager's) mobile phone direct:

**\*MI EMPLOYEES - CALL 586-778-7681 \*AL EMPLOYEES - CALL #256-351-8081**

**\*GA EMPLOYEES - CALL #678-355-2240 \* OH EMPLOYEES – CALL #513-217-6777**

It is preferred that the employee talk to their Supervisor or a Manager, however, leaving a message on voicemail, sending an email or text directly to your Supervisor and/or a Manager is accepted. The Supervisor or Manager may call/contact you with any questions. All instances of absence/tardiness will be noted in employees' attendance records and may ***heavily*** affect their evaluation. Unexcused or excessive tardiness or absenteeism could result in disciplinary action at the Company's discretion, up to and including termination of employment.

- Unreported absences (no call, no show) for three (3) consecutive days will be deemed an immediate, voluntary resignation.

**Tardiness (lates)\*:** The Company attendance policy allows for five (5) excused lates per year for full-time employees. The following conditions apply:

- Provided the late is less than 30 minutes, it will not count against the employee at the time of their evaluation, unless it is multiple times within a 30-day time span.
- Supervisor/Manager reserves the right to request that this time be made up during the same workweek depending on production requirements.
- It will be considered ½ PTO day if an employee is greater than two (2) hours late for work or leaves greater than two (2) hours early (or works less than six (6) hours) from work. If all PTO time has been used, ½ unpaid personal/sick day will be used. All final determinations are subject to management approval. *Any exceptions must be authorized by your supervisor in writing and given to the HR department.*

## HONESTY

Honesty and integrity are important personal qualities. Dishonesty in any form, including but not limited to; (1) making oral or written false statements in connection with your employment application; (2) falsifying time records; or (3) falsifying any other records connected with your employment, will not be tolerated, and will be grounds for discipline up to and including termination.

## **PERSONAL CONDUCT**

The personal conduct of every employee affects the work environment and, in some cases, can affect the public opinion or a customer's image of our Company. We expect all employees, regardless of their position or job category, to perform in a professional, respectful, and business-like manner always. Please note that this does not mean that employees cannot engage in concerted protected activity, as defined by the National Labor Relations Act (NLRA) and is not intended to infringe on any employee's rights under the NLRA.

## **CONFIDENTIALITY**

Employees of the Company may, from time to time, encounter information that is confidential – meaning non-public information about the Company and/or its clients, vendors, and/or employees. Confidential information gathered or heard by the employee during their employment will be construed as the property of Yates Industries, Inc. and its confidentiality must be maintained at all times, including after employment with Yates Industries, Inc. ends. Such information may include, but is not limited to, the identity of customers, business plans, financial information, information concerning other employees or other business-related information. Requests for information that you suspect may be confidential shall be directed to a Manager. Passwords used by employees on Company equipment/machinery are confidential and belong solely to the Company.

In accordance with the NLRA and other applicable law, nothing in this policy is intended to or will be interpreted in a manner that would interfere with an employee's right to engage in concerted activity as permitted under state and federal labor laws.

## **CONFLICT OF INTEREST**

No employee shall directly or indirectly maintain any outside business or financial interest, or engage in any outside business or financial activity, which conflicts with the interests of Yates Industries, Inc. or which interferes with their ability to discharge their duties fully.

## **DRUG AND ALCOHOL POLICY**

### **A. PURPOSE:**

Drug and alcohol use in the workplace is dangerous. Whether an employee operates equipment or has access to computers or other records, they function with serious impairment of judgment and abilities when under the influence of drugs and alcohol. This impacts safety at work, productivity, work quality, absenteeism, health care costs, accident rates, and the overall bottom line.

The objective of this policy is to develop a drug and alcohol-free workplace which will help insure a safe and productive work environment. In order to further this objective, the following policies and guidelines regarding alcohol, drugs, and illegal drugs in the workplace have been established.



## **B. POLICY**

1. The manufacture, distribution, dispensing, possession, sale, transfer, storage, purchase or use of an illegal controlled substance or drug paraphernalia or assisting another to do so on Company Premises at any time or off the premises while on Company time or in a Company Vehicle or while on Company business is strictly prohibited. Possession on Company Premises includes illegal controlled substances in an employee's personal belongings that are located on or near Company Premises. Personal belongings would include, but not be limited to, personal items stored in Company desks, lockers, or closets, an employee's pocketbook, briefcase, or items of clothing (such as coats or other items with pockets) or an employee's car parked in the parking lot used by Yates Industries, Inc. or properties where Yates Industries, Inc. employees are working. If the Company has a reasonable suspicion that an employee has violated this policy, the Company reserves the right to search such cars as well as any work areas, desks, cabinets, tool boxes, handbags, lunch boxes and other personal effects of an employee.

2. Being under the influence of alcohol, legal, or illegal drugs, including marijuana which is illegal under Federal law, or mind-altering substances on Company Premises or on Company time or while conducting Company business or using Company property is strictly prohibited. The unauthorized use or unauthorized possession of prescription drugs or over-the-counter drugs on Company Premises or on Company time is prohibited. This policy does not prohibit the use of prescription drugs for a legitimate medical reason at the order of a licensed physician or other medical provider, provided that you can still safely perform the essential functions of your job while using such prescription drugs. If you need to use prescription drugs but such drugs affect your ability to perform the essential functions of your position safely and effectively, it is your obligation to consult with the Company's Controller/HR Manager to discuss any reasonable accommodations that may be available, and you must further report any restrictions to your Supervisor as provided in Section D ("Preventative Acts") below.

3. Employees must notify Yates Industries, Inc. in writing of a conviction under a criminal drug statute for a violation occurring in the workplace no later than five (5) days after the conviction. Upon receipt of such notification, the Company will take appropriate personnel action and/or require such employee to satisfactorily participate in drug abuse assistance or rehabilitation program approved for such purposes by Federal, State or Local health, law enforcement, or other appropriate agency.

4. These policies apply to all employees of the Company regardless of rank or position and include full-time, part-time, and temporary employees.

5. Employees who violate these policies are subject to appropriate disciplinary action including termination.

## **C. TESTING FOR DRUGS AND ALCOHOL**

The Company may send prospective employees (post-offer and pre-hire) for drug and alcohol testing.

Furthermore, the Company may conduct random, post-accident, or reasonable suspicion drug/alcohol tests of its active employees. Drug or alcohol tests means a chemical test administered



for the purpose of determining the presence or absence of a drug or its metabolites or alcohol in a person's bodily tissues, fluids or products.

The active or prospective employee would be tested at a facility, including any laboratory, hospital, clinic or facility off the premises of the employer, which provides laboratory services to test for the presence of drugs in the human body. Samples shall be collected and tested by individuals deemed qualified by the State Board of Health or its equivalent and may be collected on Company Premises. Yates Industries, Inc. may take disciplinary action up to and including termination if an employee test positive for drugs and/or alcohol.

The active employee or prospective employee shall have the right in confidence to explain any positive tests results to a Supervisor and to obtain all information and records related to the individual's testing. All such testing results shall remain confidential in that only those persons in a direct supervisory chain of the employee or applicant or those deemed by the Company as needing to know shall be made aware of adverse test results.

The Company may use a refusal to undergo drug or alcohol testing or a confirmed positive result as a basis for refusal to hire or termination.

Yates Industries fully complies with the U.S. Department of Transportation (USDOT) Federal Motor Carrier Safety Administration (FMCSA) regulations. All CDL-B drivers' names will be submitted to an authorized provider for the mandatory, quarterly, random drug test drawing. If an employee's name is drawn, the employee will be expected to comply with the regulations as well; the employee will receive instructions at that time. If the employee refuses to comply, their employment may be terminated immediately upon refusal.

Under Alabama Worker's Compensation Law, Ala. Code 1975 § 25-5-51, a worker who is injured at the workplace or in the course of employment may be tested for drugs and alcohol and if impaired, may not be paid benefits under the Alabama Worker's Compensation Law if the worker's injury is a result of an accident caused by the injured worker being impaired by illegal drugs and/or alcohol. Section 25-5-51 provides:

"A positive drug test conducted and evaluated pursuant to standards adopted for drug testing by the U.S. Department of Transportation in 49 C.F.R. Part 40 shall be a conclusive presumption of impairment resulting from the use of illegal drugs. No compensation shall be allowed if the employee refuses to submit to or cooperate with a blood or urine test as set forth above after the accident after being warned in writing by the employer that such refusal would forfeit the employee's right to recover benefits under this chapter."

The Company now warns you that your refusal to take a urine or blood test after an accident will forfeit your rights to recover benefits under the Alabama Worker's Compensation Law.

#### **D. PREVENTIVE ACTS:**

Employees taking drugs prescribed by an attending physician must advise their direct Supervisor in writing of information contained on the drug packaging or label or prescription information regarding any work restriction to be observed while an employee is taking the drug. This written information must be communicated to the direct Supervisor as soon as practical after the employee

has taken the drug but prior to commencing work while medicated. Any shared information will be handled in a confidential manner. All prescription drugs must be kept in their original container.

#### **E. DEFINITIONS FOR THE DRUG AND ALCOHOL POLICY:**

##### Controlled Substance

A controlled substance is any substance listed in schedules I-V of Section 202 of the Controlled Substance Act (21 U.S.C. § 812), as amended.

##### Drug

A drug is any chemical substance that produces physical, mental, emotional, or behavioral change in the user.

##### Drug Paraphernalia

Drug paraphernalia is equipment, a product or material that is used or intended for use in concealing an illegal drug or for use in injecting, ingesting, inhaling or otherwise introducing into the human body an illegal drug or controlled substance.

##### Illegal Drug

An illegal drug is any drug or derivative thereof which the use, possession, sale, transfer, attempted sale or transfer, manufacture or storage of is illegal or regulated under any Federal, State or Local law or regulation and any other drug, including (but not limited to) a prescription drug, used for any reason other than a legitimate medical reason and inhalants used illegally. Included is marijuana and cannabis in all forms even if legal in the state which the facility is located.

##### Reasonable Suspicion

Reasonable suspicion is suspicion supported by evidence strong enough to establish that a policy violation has occurred. More specifically:

“Reasonable suspicion” means a belief that an employee is using or has used drugs or alcohol in violation of this written policy (drawn from specific objectives and articulable facts and reasonable inferences drawn from those facts in light of experience), and may be based upon, among other things:

1. physical symptoms or manifestations of being under the influence of drugs or alcohol while at work or on duty; or
2. direct observation of drug or alcohol use while at work or on duty (a) a report of drug or alcohol use while at work or on duty provided by reliable or credible sources and which has been independently corroborated; (b) evidence that an individual has tampered with a drug or alcohol test during his employment with the current employer; or (c) a report of or evidence that an employee is involved in the use, possession, sale, solicitation or transfer of drugs while on duty or while on the employer’s premises or operating the employer’s vehicle, machinery, or equipment.

### Under the Influence

A state of having a blood alcohol concentration of 0.08 or more, or the state of not having the normal use or physical faculties resulting from the voluntary introduction into the body of any alcoholic beverage or a controlled substance.

## **SMOKING/TOBACCO POLICY**

In accordance with applicable law and Company policy, absolutely NO SMOKING is allowed inside Company buildings at any time; this includes, but is not limited, to cigarettes, e-cigarettes, cigars, pipes, smokeless tobacco, vaping, chewing tobacco, etc. Smoking and tobacco products are only permitted in outdoor designated areas. You may smoke at break and lunch time in outdoor designated areas only. All cigarettes/cigars/other must be disposed of properly. Do not throw cigarette/cigar butts on the ground. For sanitary/safety reasons, chewing tobacco is not to be spit on the ground on the premises, inside or outside. Violators are subject to disciplinary action, up to and including termination.

## **COMPANY PROPERTY**

Personal use of company tools is not permitted. In addition, company tools may not be removed from the shop floor and may not be placed in any lockers, personal tool boxes, or any other place that restricts access to the tool from other personnel who may need to use it for business purposes. Yates Industries reserves the right to search anything on company premises at any time including, but not limited to, lockers, toolboxes, vehicles, lunch boxes, backpacks, purses, etc.

## **PERSONAL PROPERTY**

Business use of personal tools is permitted; however, the Company is not responsible should these items be stolen, broken due to misuse or negligence, etc. The Company will not be held responsible for safeguarding these items after resignation/termination. You must remove or schedule a date/time to remove your personal items within 24 hours of resignation/termination. If personal items are not removed within five (5) business days, the items will be considered abandoned and Yates Industries may dispose of such items as it deems appropriate.

## **PERSONAL USE OF COMPANY PROPERTY**

Personal use of Company property, such as Company vehicles, computers, printers, copy machines, etc., is permitted only with explicit approval by management personnel. No dumping any personal garbage in the company dumpsters. No expectation of privacy is implied or offered for any personal information placed on Company property. Misuse of Company property is grounds for discipline, up to and including termination.

## **BULLETIN BOARDS**

Company bulletin boards on Yates Industries, Inc.'s property are for Company information only. Unauthorized postings are not permitted. These boards are the Company's means of communicating important information to you. You are responsible for knowing the information posted on the Company bulletin boards, as well as those posted on the employee ADP workforcenow portal. Bulletin boards are in both Michigan facilities. A bulletin board is located in the shop near the time clock which may include shop employee work schedule, Company events, benefit information, etc., and others are in the shop and office containing ISO and safety information, employment law/information postings, and emergency/accident information. There is an employee bulletin board located in the shop lunchroom which employees may use to communicate with co-workers. Anything posted must remain professional and in accordance with the anti-harassment and other policies stated in this handbook. (ALABAMA, GEORGIA, OHIO – for bulletin board location, ask your Supervisor). Only authorized personnel may add/remove posted documents.

## **PERSONAL TELEPHONE CALLS**

Employees may make calls (*or receive personal calls*) only in case of emergency or on work breaks. Lengthy or frequent calls may result in the loss of this privilege. Personal mobile phones may only be used during work breaks. As stated below, employees should be fully aware that the Company reserves the right to monitor any communications made on any Company equipment for legitimate business purposes, including but not limited to Company telephones. Employees should not have any expectation of privacy while using Company phones.

## **INFORMATION TECHNOLOGY POLICY**

### **1. Scope**

The Company's Information Systems are valuable Company assets which require policies and guidelines regarding their use to (i) protect business confidences, (ii) safeguard the systems from unauthorized access or damage from outside intentional or inadvertent causes, and (iii) exercise control over the systems to ensure that they operate at their intended speed and capacity.

All of the Company's Information Systems are the property of the Company. The term Information Systems includes, but is not limited to, computer software and hardware, Internet sites, any on-line services, electronic mail accounts ("e-mail"), telephones, telephone voicemail, facsimile machines, copy machines, and all communications and information transmitted by, received from, entered into, or stored in these systems. It is the Company's policy to restrict the use of all Information Systems to appropriate job-related or other approved business purposes and minimal personal use by employees which does not result in added cost to the Company or in any way impair operation of the systems.

### **2. Expectations Regarding Use of Information System**

The appropriate and regular use of the Information System is considered an important part of every employee's responsibility. For example, the daily review and use of e-mail is expected as the Company would expect an employee to use and respond to telephone calls and U.S. mail. In providing access to the Information System, the Company expects an employee to use these resources in the conduct of the business. Every employee is expected to exercise good professional and personal judgment in the use of the Information System.

3. Access to Information System and No Expectation of Privacy

**Employees should understand that they are entitled to no expectation of privacy in connection with the use of any Information System, including stored e-mail or voicemail messages. All messages created, sent, received or stored in the system are and remain the property of the Company.**

**The Company reserves the right to retrieve and review any message composed, sent or received, using the Information System; therefore, ultimate privacy of messages cannot be insured.**

All pass codes, passwords, ID and encrypted information are the property of the Company. No employee may use a password, pass code, ID or method of encryption that has not been issued to that employee or that is not made known in advance to the Company. No employee shall permit another person to use another's pass code, password, ID or method of encryption. All passwords must be strong with a minimum 8-character combination with at least one upper case letter, one lower case letter, and one number. A symbol in the password is recommended if allowed.

No employee shall permit or cause any access to Company Information System by any person who is not an employee of the Company, except in those cases where access to the Information System is related to the Company's business and approved in writing.

**To safeguard and protect the proprietary, confidential and business-sensitive information of the Company and its clients, and to ensure that the use of the Information System is consistent with the Company's legitimate business interest, authorized representatives of the Company and their agents may monitor the use of the Information System from time to time which may include inspecting, printing or reading messages, files, list servers or equipment.**

4. Prohibited Use

Employees should also understand that the Information System should not be used in methods that are discourteous, unprofessional, deceptive, disruptive, or offensive to others. For example, using the Information System to make or communicate discriminatory or harassing statements, vulgarities, obscenities or disparaging comments is strictly prohibited.

Employees may not download or install any software or apps without explicit approval from Management or IT personnel. Employees may download business related material required to accomplish their job duties, such as customer provided information to complete a request for quote.

Employees are not permitted to use the Information System to communicate copyrighted material without proper authorization.

The Information System may not be used to solicit or communicate with others regarding commercial, religious or political causes, or for any other solicitation.

Employees are responsible for the cost of any personal or unauthorized use of the Information System (including, for example, the cost of copying charges on copy machines for personal use and personal long-distance telephone charges to the Company).

#### 5. Enforcement

It is the responsibility of each user of the Information System to adhere to specific security guidelines and procedures issued periodically by representatives of the Company. Employees who violate these policies are subject to disciplinary action which may include discharge from employment.

#### 6. Incident Response

Should an incident occur that may damage or jeopardize the information systems or any data contained on it at the Company, the employee is to immediately contact IT personnel or a Manager so proper steps can be taken to prevent any exposure. This pertains to, but is not limited to, suspicious emails and/or suspicious attachments.

### **REMOTE WORK POLICY**

Remote work policy guidelines are for employees who work from a location other than our offices. This is for the benefit of our employees and the Company. All remote work must receive prior approval from your supervisor, management personnel, or human resources. Not all positions are appropriate or feasible for remote work. This policy will be reviewed periodically, as will each employee's remote work capability, and is subject to change at any time due to Company needs.

To ensure employee performance will remain productive under remote work arrangements, the Company advises its' remote employees to:

- Select a quiet, distraction-free working space
- Have an adequate internet connection to allow effective job duties completion
- Dedicate full attention to job duties during working hours
- Adhere to all meal and/or rest breaks as required and in accordance with state law
- Adhere to attendance schedule as agreed upon; all hourly employees must punch in/out via ADP for all working hours. Off-the-clock work is not allowed for any reason at any time.
- Follow all company policies stated in the employee handbook

Mandatory scheduled and/or random meetings may be required via Teams, phone, or other methods of remote communication to discuss progress and results.



All essential equipment required for remote work will be provided by the Company, such as computers, laptops, printers, scanners, etc. This equipment is Company property and employees are expected to keep it secure, safe from damage or theft, not allow use by non-employees, and use for business purposes only.

In certain circumstances, remote employees may receive reimbursement for necessary job-related expenses provided the employee has approval from their supervisor or a manager, in writing, prior to expense being incurred.

*Note: All workplace posters are posted on the ADP homepage for ease of access at anytime from anywhere. If you have any questions or you would like these printed and mailed to you, please contact human resources.*

## **SOCIAL MEDIA POLICY**

Yates Industries, Inc. recognizes that many employees use electronic social media such as Facebook, Snapchat, Instagram, LinkedIn, Twitter, etc. In accordance with Michigan's Internet Privacy Protection Act, Yates Industries, Inc. will not (1) request access to pages of an employee's private internet account that are not visible to the public, (2) request passwords to enable it to access private pages, or (3) discipline any employee who refuses/fails to provide such access or passwords.

However, postings made by employees are permanent and may have legal consequences. While Yates Industries, Inc. does not want to intrude unnecessarily into employees' personal lives, given the potential ramifications to Yates Industries, Inc. and its business, it is establishing guidelines for employee use of social media. Employees are required to abide by these guidelines, even outside of work, as a condition of employment.

- Employees are prohibited from posting or discussing proprietary or confidential information of Yates Industries, Inc. This includes, but is not limited to, Yates Industries, Inc.'s financial information, trade secrets (i.e., information regarding the development of systems, processes, products, know-how, technology, internal reports, procedures, or other internal and non-public business-related communications), and confidential information concerning its clients. It also prohibits the use of its logo or other branding information unless this has been approved by the CEO in writing.
- Employees are prohibited from making statements that are slanderous, including comments or opinions about Yates Industries, Inc. or Yates Industries, Inc.'s employees, clients, or customers that are knowingly false and/or made with reckless disregard for the truth or falsity of the comment and/or opinion.
- Any harassment, bullying, discrimination, or retaliation that would not be permissible in the workplace is not permissible between co-workers online, even if it is done after work hours, from home and on home computers.
- Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar postings that may include unlawful conduct will not be tolerated and may subject employees to disciplinary action up to and including termination.

- If Yates Industries, Inc. is the subject of the content an employee is creating, the employee must be clear and open about the fact they are an employee and make it clear that their views do not represent those of Yates Industries, Inc., fellow employees, customers, or clients. It is best to include a disclaimer such as “The postings on this site are my own and do not necessarily reflect the views of Yates Industries, Inc.”

Violations of this policy may result in disciplinary action up to and including discharge and may result in legal action if appropriate.

## **INSPECTION**

Any item(s) or parcel(s) taken out or removed from the Company’s premises, as well as any item brought onto the premises, are subject to inspection. Yates Industries, Inc. reserves the right to inspect anything on the Company’s premises at any time; including but not limited to toolboxes, backpacks, lunch boxes, purses, lockers, desks, etc.

## **UNAUTHORIZED PHOTOS AND/OR RECORDINGS**

Unauthorized photos, audio recordings or recordings of any kind, are strictly prohibited in the workplace. This rule pertains to employees and visitors alike. If you notice such recordings being made, please notify the Human Resource Department immediately. Violation of this rule will result in discipline up to and including immediate termination.

## **VISITORS AND VENDORS**

For the safety and protection of our visitors and employees, no visitors, vendors, or contractors are allowed on the Company’s premises without prior permission from management; this includes former employees, employee family members, employee friends, etc. All visitors must sign in/out at front reception desk and be issued a visitor pass/vest before entering the offices or shop at Yates Industries, Inc. All visitors must be made aware of our safety plan and in-case-of-emergency procedures. Safety glasses must be worn by anyone in an area requiring them. All visitors must be accompanied by a Company employee; unless they are a contractor and granted permission to enter a specific area. Any visitors interfering with the efficiency of the Company business will be asked to leave immediately. All visitor/vendor/contractor are to park in the visitor parking area by the lobby, on the street in front of the building, or in the back of the building. Please request they do not use our employee parking spaces. In addition, it is required that all vendors/contractors working on the premises, MUST provide an insurance certificate prior to starting any work on the premises. All employees are always expected to conduct themselves in a professional manner when dealing with any visitors; this includes all customers, distributors, vendors, contractors, guests, etc.



## TRESPASSING

For the purpose of safety and security, employees are not to enter the plant or remain on the Company's premises except when on duty or reporting for work, unless authorized by the Company.

## COMMUNICATION

Employees are encouraged to participate in regularly scheduled meetings with Human Resources, Supervisors, and occasional special meetings. General comments and suggestions are always welcome.

## SAFETY AND HEALTH

Employees are required to observe safety regulations, report unsafe conditions and wear appropriate safety equipment when needed. For your convenience, Yates Industries Hazard Communication Program is accessible in the information center along with ISO, quality, safety, and MSDS sheets.

For those employees requiring personal protective equipment (PPE) in the performance of their job, the Company will provide:

- (1) Dust Mask;
- (2) Gloves;
- (3) Safety Glasses;
- (4) Ear plugs;
- (5) Back brace;
- (6) Respirators;
- (7) Or any other OSHA required PPE, please notify your Supervisor or Manager.

The Company takes a proactive approach to safety and has areas that require specific PPE and/or additional safety requirements. It is the employee's responsibility to read and understand their job description safety requirements. For example, absolutely no loose clothing or dangling material allowed around any machine, all long hair must be tied back around all machines, equipment, or where there are hazards of flame, etc.

**Any accident, no matter how slight, must be reported immediately to a Supervisor.** First aid kits are available for treatment of minor injuries to employees. See your Supervisor for the locations.

## VEHICLE SAFETY POLICIES AND PROCEDURES

When driving Company vehicles or when driving any vehicle for the purpose of conducting Company business, all traffic laws and safety rules must be complied with, as well as the rules stated in our Drug and Alcohol Policy. Also, all employees driving such vehicles **must** have a valid driver's license and have the valid driver's license on their person at all times. All employees driving Company vehicles must present their driving record from the state they are licensed

through upon demand of the Company; this is a pre-employment requirement for anyone hired to drive a Company vehicle for the Company in any capacity. Under no condition, are employees allowed to give non-employees permission to drive Company vehicles. The picking up of hitchhikers or transporting unauthorized persons/packages is strictly prohibited. Seatbelts must always be worn. Company vehicles are to be used **ONLY FOR COMPANY BUSINESS** except as otherwise authorized by the Management of Yates Industries, Inc. If an employee is involved in any accident or receive a ticket for a driving or parking violation, while operating a Company vehicle, they are to notify their Supervisor or a Manager immediately. The employee will be responsible for paying all fees resulting from any traffic/parking violation. A Company vehicle may never be operated in a reckless or illegal manner. In addition, it is the employee's responsibility to notify their Supervisor or Manager of any change of status (restricted, suspended, etc.) on their driver's license **prior** to driving any Company vehicle or when driving any vehicle for the purpose of conducting Company business. ***Note: To protect yourself and others, you must pull safely off the road while using mobile phones – Safety first!***

## **MOBILE PHONE USE/DISTRACTED DRIVING POLICY**

During business hours, mobile phones may be used where business needs require immediate access to an employee. The Company may issue a business mobile phone for work-related communications. *In order to protect the employee from incurring a tax liability for the personal use of this equipment, such phones are to be used for business reasons only. If personal mobile phone is used for business purposes, all company information must be removed at time of employment separation for any reason. All company information is to be kept confidential, as it is the property of Yates Industries.*

Employees are expected to protect equipment (mobile phones and accessories) from loss, damage, or theft. The employee may be held responsible for any replacement/repair charges incurred from the loss, damage, theft, or negligent use of the equipment. Upon resignation or termination, employees are expected to return the equipment in good working condition within 24 hours, or sooner, of notification. If equipment is not returned, a payroll deduction will be made to recover the replacement cost(s).

Employees whose job responsibilities include regular or occasional driving are expected to refrain from using their mobile phone while driving. Safety must come before all other concerns. Employees must safely pull off to the side of the road and stop the vehicle before reaching for a hand-held mobile phone, holding, dialing, placing or accepting a call, answering or drafting a text or email message, or otherwise utilizing a mobile phone. Employees who are charged with traffic violations resulting from the use of their mobile phone while driving will be solely responsible for all liabilities that result from such action. It is the employee's responsibility to know the laws in the areas that they travel. All personnel driving for Company business will be required to sign a Distracted Driving Policy with additional requirements.

SECTION IV  
HOURS AND PAY PROCEDURES

## HOURS AND WORK SCHEDULES

The Company may operate on various shifts during a day. Employees will be assigned to a shift, assigned a work schedule, and are responsible for knowing when they are expected to be at work. If the hours worked differ from the posted work schedule, it is the employee's responsibility to have their Supervisor/Manager authorize the change by email or other written form of communication to HR personnel. If additional worked hours are not approved in writing, payment for that time will be paid but not approved, therefore, the employee may be subject to disciplinary action.

## TIME RECORDING

Accurate records of time worked are essential to both the employee and the Company. Yates Industries, Inc. has provided a means for accurately recording time worked, lunch periods, overtime, absences, etc. Accordingly, work performed by hourly employees must be recorded using the time clock or scanner, their Supervisor will let the employee know which method will be used for their position. Employees may not record in more than five (5) minutes prior to their starting time. Employees must record in at the beginning of their shift and record out at the end of their scheduled shift AND, if leaving the premises at any time (*other than for conducting Company business*), record out at the time leaving and record back in upon returning. Lunch break is unpaid. All employees are required to record in and out for themselves. Under no circumstances are you to record another employee's time in. Any discrepancies, errors, or if an employee forgets/misses to record in/out, they must see their Supervisor to have corrected. An employee is expected to commence work immediately after recording in for the day (or after break/lunch). An employee may not enter the building, record in and exit the building to park their vehicle, this is considered falsifying time records and will not be tolerated, such violation is subject to disciplinary action up to and including termination.

Upon notification from the employee, authorized Supervisor/Manager or HR personnel may manually correct an employee's time in/out if the employee has forgotten to punch in/out. If there is an error in an employee's pay and HR personnel are notified (*email from Supervisor is acceptable*) prior to 8 am on Monday and correction is confirmed, it will be corrected and paid in the current pay period. Any corrections made after 8 a.m. on Monday will be made on the following week regular payroll.

## OVERTIME

Employees eligible under law for overtime pay are designated as non-exempt employees. Non-exempt employees will be paid for all hours worked in excess of forty (40) hours in one week at the rate of one and one-half (1 ½) times their regular hourly rate. **All overtime must be approved in advance by the employee's Supervisor unless it is scheduled on the employee's work schedule.** The Supervisor must notify HR personnel whenever an employee records time that is unscheduled overtime for the overtime to be approved.

Salaried employees who are exempt from overtime as defined by the Federal Fair Labor Standards Act are designated as exempt employees and do not receive overtime pay.

## **CLEAN UP AND WASH UP TIME**

The last five (5) minutes of the shift will be provided to shop personnel for putting tools away, cleaning up work area, washing up, etc.

## **WORK WEEK, PAYDAY, DIRECT DEPOSIT, AND PAYCARD**

A workweek begins on Monday at 12:00 a.m. and ends the following Sunday at 11:59 p.m.

Paychecks will be issued weekly on Friday. *(Exception: if a bank holiday falls on Friday, paychecks may be issued on Thursday)*

All questions regarding payroll or payroll errors should be directed to HR personnel or the Controller/HR Manager. See Time Recording section for further details.

All employment payments are issued solely through electronic direct deposit or the employee may choose a paycard option. Direct deposit provides many benefits for employees, including greater security and faster access to funds. Checks will not be issued. Employee payments may be electronically deposited into one or more checking or savings accounts designated by each employee (must designate accounts via employee ADP workforcenow portal). Accounts must be established with financial institutions, such as banks or credit unions that support direct deposit. There is a paycard option provided through the payroll provider or the employee may get a paycard through another financial institution they chose.

It is the employee's responsibility to review their payroll stub for accuracy of personal information and payment information. If there is a discrepancy on an employment payment, the employee needs to notify their supervisor, a manager, or HR personnel so the discrepancy can be investigated and corrected as necessary. Employees must immediately notify HR personnel if there has been an overpayment of wages. Employees are not entitled to keep wage overpayments and Yates Industries reserves the right to recoup overpaid amounts from future payments.

## **SALARY BASIS POLICY**

The Fair Labor Standards Act (FLSA) is a federal law which requires most employees to be paid at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay for all hours worked over 40 hours in a workweek. Michigan also has a law establishing the minimum wage rate. The Company pays its employees not less than the greater of the two minimum wage rates.

The FLSA provides an exemption from overtime pay for employees who are *bona fide* executive, administrative, professional and outside sales employees, among others, including certain computer employees. To qualify for exemption, employees generally must meet certain tests regarding their job duties and be compensated on a salary basis.

Being paid on a "salary basis" means an employee regularly receives a predetermined amount of compensation each pay period on a weekly basis. The predetermined amount cannot be reduced because of variations in the quality or quantity of the employee's work. Subject to certain

exceptions, an exempt employee should receive the full salary for any workweek in which the employee performs any work, regardless of the number of days or hours worked. Exempt employees do not need to be paid for any work week in which they perform no work.

It is our policy to comply with the salary basis requirements of the FLSA. Therefore, the Company prohibits any improper deductions from the salaries of exempt employees. Any employee who believes that an improper deduction has been made to their salary, should immediately report this information to the Controller/HR Manager.

Reports of improper deductions will be promptly investigated and, if it is determined that an improper deduction has occurred, the employee will be promptly reimbursed.

## **BREAKS AND LUNCH PERIOD**

During each workday there will be a break period of 15 minutes, from 9:45 a.m. to 10:00 a.m. for Michigan day shift shop personnel. Lunch is 30 minutes, from 11:45 a.m. until 12:15 p.m. for Michigan day shift shop personnel; however, lunch times may vary to accommodate the department (*note: afternoon and night shift shop personnel break and lunch times will coordinate appropriately with that shift*). At the end of each break, a buzzer may warn employees that they have two (2) minutes left until the end of the break period. All employees need to be at their workstation when the end of break buzzer sounds. (for ALABAMA, GEORGIA, and OHIO locations – break and lunch times to be determined by their Plant Manager)

The lunchroom(s) and its contents should always be kept clean and neat for sanitary reasons. Each person is expected to and responsible for washing/putting away company dishes that they used, properly disposing of their garbage/recyclables/returnables/old food from refrigerator, and cleaning up any mess they may have made; including wiping tables, countertops, microwaves, spills in refrigerator, etc. If garbage disposal is used, flush with water and cycle as needed. If garbage can is full, remove and place in appropriate garbage receptacle in shop, and place new/clean bag in can. Be respectful to the Company and your co-workers.

Breaks not taken are lost; breaks may not be accumulated or added to lunch periods for additional time or used for early departures at the close of the day.

## **DRESS CODE AND UNIFORM POLICY**

It is recommended that all shop personnel wear a uniform to protect their regular clothing, or you may opt to wear jeans or work pants with a T-shirt. The Company is not responsible for any damage caused to your regular clothing should you choose that option.

After 90 days of employment, five uniforms may be ordered at the Company's expense. If more than five uniforms are requested, additional cost will be payroll deducted weekly by Yates Industries, Inc. to reimburse the Company (*You may order additional uniforms in quantities of 7, 9, or 11 - any cost for set up on additional uniforms will be a one-time payroll deduction.*) See your Supervisor for the Employee Uniform Request form to order.

All shop personnel MUST have appropriate footwear; hard-soled, non-slip, work shoe or boot (composite or steel toed recommended)

For your safety, absolutely no open-toed shoes (*sandals, flip flops, etc.*) are allowed in shop production, machining, shipping, or inventory areas at any time.

All office personnel are to dress in a casual/professional manner. This includes khakis, dress slacks, jeans, capris, skirts, dresses, collared shirts, blouses, dress sweaters, Yates logo attire, and polo shirts are acceptable. No ripped, provocative, revealing, or offensive attire is allowed at any time. Shorts, tank tops, and flip flops are allowed only with Management permission.

The Company also expects employees to maintain good hygiene and grooming while on the premises. As part of our overall professional appearance, no facial piercings are to be worn and any visible facial tattoos must be covered while working on the premises.

The Company reserves the right to determine appropriate dress at all times and in all circumstances and may send employees home to change clothes should it be determined their dress is not appropriate. Non-exempt employees will not be paid for the time not worked.

The Company understands that in certain situations, it may need to make exceptions to this policy based on an employee's religion, disability, or other characteristic protected under federal, state or local law. In accordance with all applicable laws, the Company will make every effort to provide reasonable accommodation to the employee requesting accommodation unless doing so would cause an undue hardship.

Any exception from this dress code must be approved by a manager in advance.

## **PAYROLL DEDUCTIONS**

By law, Yates Industries, Inc. must withhold from salaries and wages withholding taxes and the employee's portion of the social security and Medicare tax. Each employee must complete the proper withholding documents via the employee ADP workforcenow portal. Note serious penalties may be imposed by the Internal Revenue Service to persons who do not have sufficient tax withheld from their pay. It is the employee's responsibility to make changes accurately. The Company does not give tax advice.

The Company will only make deductions or withhold from the pay of any employee which it is legally bound to make (including taxes and court-ordered withholdings), or deductions which are specifically authorized by the employee in writing or obligated to by a court-order.

## **WAGE GARNISHMENTS, ASSIGNMENTS, AND LEVIES ON PAYCHECKS**

Generally, the Company is obligated under the law to make deductions required by wage garnishments, certain wage assignments or levies, and orders imposed by governmental agencies. Usually, such withholding is mandated by a court order or laws that would subject the Company to severe penalties for failure to withhold. The Company cannot disregard such notices merely at the employee's request. If you believe any such garnishment, assignment, or levy has been wrongfully issued, you should consult your own attorney.

SECTION V  
EMPLOYEE BENEFITS



## HOLIDAY PAY

Any full-time employee having completed 90 days of employment will receive eight (8) hours “straight-time” pay for the following holidays:

- |                      |                      |
|----------------------|----------------------|
| (1) New Year’s Day   | (4) Labor Day        |
| (2) Memorial Day     | (5) Thanksgiving Day |
| (3) Independence Day | (6) Christmas Day    |

To receive pay for these holidays, an employee is required to work their full scheduled hours on their last scheduled workday before the holiday and their full scheduled hours on their first scheduled workday after the holiday. An employee on layoff or leave of absence or otherwise not scheduled to work at the time the holiday occurs is not eligible for holiday pay. There shall be no exceptions. *Note: If a paid holiday falls during a qualified employee’s scheduled PTO, the employee may extend the PTO an additional day to compensate for the holiday. If any of the above holidays fall on a Saturday or Sunday, it will be observed on the Friday before or the Monday following. If a paid holiday falls during a qualified employee’s medical leave due to an accident on-the-job, the employee may be paid for the holiday.*

## FLOATING HOLIDAY PAY

Any full-time employee having completed 90 days of employment can receive one (1) eight (8) hours “straight-time” pay for their choice of the following unpaid “holidays”:

Your birthday	Your work anniversary	Bereavement (family or friend)
Martin Luther King Jr day		Presidents Day
St Patrick’s Day	Monday after Superbowl Sunday	
Good Friday	Juneteenth Day	Monday after Easter Sunday
Columbus Day	Election Day	Veterans Day
Christmas Eve	New Year’s Eve	Friday after Thanksgiving

To receive pay for these holidays, an employee is required to work their full scheduled hours on their last scheduled workday before their holiday and their full scheduled hours on their first scheduled workday after their holiday. MUST have a minimum of 2-week notice (requested and approved thru ADP), there shall be no exceptions. You may not carryover to the next year. If your floating holiday choice falls on a Saturday, you can use it for the previous Friday, OR if it falls on a Sunday, you can use it for the following Monday. Your selection is subject to approval based on staffing needs for your area/department, first come/first serve basis.

## PAID TIME OFF (PTO)

We know how hard employees work and recognize the importance of providing time for rest and relaxation. We fully encourage employees to get this rest by taking paid time off (PTO). Time off under this policy includes extended time off, such as for a vacation, and incidental time due to sickness or to handle personal affairs. Time off under this policy specifically includes, for eligible Michigan employees, all leave as permitted by the Michigan Paid Medical Leave Act (“PMLA”). Please note that the Company strictly prohibits retaliation against any employee who exercises their rights under the PMLA or any other applicable federal or state law.

Where applicable, a request for PTO must be submitted electronically via ADP workforcenow to the employee's supervisor at least two weeks in advance of the time requested off and is subject to approval by management. In the cases of unforeseeable absences, employees must call their Supervisor/Manager prior to the start of their scheduled shift to note the need to take such PTO or an unpaid personal day and submit an electronic request through ADP workforcenow. Time off may be taken in ½ day (4 hour) increments. If an employee is taking time off pursuant to a reason provided for under the PMLA, they must notify their Supervisor/Manager at the time of call in. All PTO time will renew on your anniversary date. For PMLA (*Michigan employees only*) purposes, employees who, on average, work less than 25 hours per week during the immediately preceding calendar year are not eligible.

PTO time for eligible employees is earned as follows:

- One week (40 hours) after 90 days + one week (40 hours) after 6 months
- Two weeks (80 hours) after one full year
- Three weeks (120 hours) after five full years
- Four weeks (160 hours) after ten full years
- Five weeks (200 hours) after twenty full years

A maximum of five (5) PTO days (40 hours) may be carried over from one year to another. If a non-exempt employee does not use all of their PTO time by their anniversary date and less than five (5) are left, the days will automatically rollover to the new year OR the employee may request to be paid (*using this option, the time off is lost*) for the remaining days – this request must be in writing and is subject to verification and approval by management. If separation of employment occurs for any reason, the employee will not receive payment of any unused PTO time.

## **UNPAID PERSONAL/SICK DAYS**

All full-time, non-exempt employees are entitled to additional unpaid personal/sick time off work, pursuant to the following terms:

1. After 90 days of employment, the employee will be entitled to (2) unpaid personal/sick days. After six (6) full months of employment, the employee will be entitled to (2) additional unpaid personal/sick days, for a total of (4) days, for use prior to the 1<sup>st</sup> anniversary. These days do not rollover and no compensation will be given if not used. If the employee is absent four (4) or more days prior to the 6-month anniversary date, the employee does not gain two (2) additional days. The absences prior to the anniversary date are deducted from the allowed (4) days.
2. After one full year of employment, the employee will be entitled to (5) unpaid personal/sick days.
3. Unpaid personal/sick days do not rollover to the following benefit year.
4. All unpaid personal/sick days will be based on the employee's anniversary date.
5. A 24-hour advance notice or less – Submitting an electronic request is necessary when requesting an unpaid personal/sick day off in foreseeable and unforeseeable circumstances. Any request is subject to management approval.
6. Unpaid personal/sick days without 24-hour notice cannot be scheduled the workday before or after a holiday or the employee will forfeit their holiday pay.
7. Unpaid personal/sick days may be used in ½ day (4 hour) increments.

## FAMILY AND MEDICAL LEAVE ACT POLICY

In accordance with the Family and Medical Leave Act of 1993 (“FMLA”), an employee who has been employed by Yates Industries, Inc. for at least 12 months and who has worked at least 1,250 hours during the previous 12-month period will be eligible for 12 weeks unpaid leave, provided Yates Industries, Inc. has 50 or more employees at the employee’s work site or within 75 miles of that work site. This policy is being provided to inform you of rights under federal law. Should the need for FMLA leave arise, contact Human Resources regarding your eligibility for leave under this policy. Also, employees are required to advise their Supervisor if they are taking paid time off for any FMLA qualifying reason. Calling in sick for the day(s) does not count as a request for FMLA.

The 12-month period in which the 12 weeks of FMLA leave may be taken is the “rolling” 12-month period preceding the date of your leave. The 12 months of employment need not be consecutive months; however, employment prior to a break in service of more than seven (7) years generally is not counted. Conversely, all periods of USERRA covered (military) service are counted in determining an employee’s eligibility for FMLA leave.

An eligible employee is entitled to a total of 12 work weeks of unpaid leave during the above “rolling” 12-month period for one or more of the following:

- Because of a birth of a child of the employee and to care for that child;
- Due to the placement of a child with the employee for adoption or foster care and to care for that child;
- In order to care for the employee’s spouse, child or parent (including someone *in loco parentis*), if the spouse, child, or parent has a serious health condition;
- Due to a serious health condition that makes the employee unable to perform the functions of their job; and/or
- Due to any qualifying exigency arising out of the fact that a spouse, or a son, daughter, or parent of the employee during deployment of the member of the Armed Forces to a foreign country.

While there are specific requirements under FMLA, in general, a “serious health condition” means an illness, injury or impairment that requires in-patient care at a medical facility, or a period of “incapacity” of more than three (3) consecutive, full calendar days (including non-work days) and continuing treatment by a healthcare provider. Serious health condition also includes a period of incapacity for pregnancy or prenatal care, chronic conditions (i.e., asthma, epilepsy, diabetes, etc.) and permanent long-term conditions (i.e., Alzheimer’s, severe stroke, terminal stages of a disease, etc.).

“Incapacity,” in turn, means an inability to work, attend school or perform other regular daily activities because of a serious health condition or its treatment or recovery. While “treatment” includes examinations and testing to determine if a serious health condition exists, it does not include routine examinations or physicals. Also, absences caused by the common cold, flu, routine

dental problems and the like, generally will not qualify for FMLA leave unless there are complications.

An employee's right to leave for the birth of a child or for the placement of a child with the employee for adoption or foster care expires at the end of the 12-month period beginning on the date of the birth or placement.

In the event that both the husband and wife are employed by Yates Industries, Inc., the aggregate number of work weeks of leave to which both are entitled is limited to 12 weeks during the 12-month period, if the leave is for one of the reasons above (other than the employee's own serious health condition) or a combined total of 26 weeks if Military Caregiver Leave (as described below) is taken. Also, an eligible part-time employee (less than 40 hours/week for purposes of this policy) is entitled to FMLA leave on a *pro-rata* basis only.

**Qualifying Exigencies:** In general, leave may be taken because of a "Qualifying Exigency" where the employee's spouse, son, daughter, or parent is on active duty or is called to active duty for any of the following reasons:

- To address issues that arise from an impending call or order to active duty 7 or less calendar days before deployment during that 7-day notice period.
- To attend an official ceremony, program or event sponsored by the military that is related to the call to active duty or active duty of the Military Member.
- To attend certain family support or assistance programs and informational briefings related to the call to active duty or active duty of the Military Member.
- To arrange for alternative childcare when the call to duty or active duty necessitates a change in existing arrangements.
- To provide childcare on an urgent, immediate basis (but not on a routine, regular or everyday basis), when the need arises because of the call to active duty or active duty.
- To enroll in or transfer a child to a new school or day care facility when necessitated by the call to active duty or active duty.
- To attend meetings with staff at a school or day care facility when attendance is necessary due to circumstances arising from the call to active duty or active duty.
- To make or update financial or legal arrangements to address the covered Military Member's absence caused by the call to active duty or active duty.
- To act as the Military Member's representative before a government agency concerning military service benefits while they are called to active duty and for 90 days following termination of active duty.

- To attend counseling for the covered Military Member or their child or certain other dependents.
- To spend up to 15 calendar days with the Military Member or their child or certain other dependents on leave for rest and recuperation
- To attend ceremonies and reintegration briefings and events sponsored by the military during the 90-day period following termination of active service.
- To attend to issues surrounding the death of the Military Member.
- To care for a Military Member's parent who is incapable of self-care when the care is necessitated by the member's covered active duty (including making arrangements for alternative care, providing care on an immediate basis, admitting or transferring the parent to a care facility, or attending meetings with staff at a care facility).
- To address miscellaneous matters which arise out of the call to active duty or active duty provided the employee and THE COMPANY agree that such leave is a "qualifying exigency" and further agree as to the timing, frequency and duration of the leave.

**Military Caregiver Leave:** An eligible employee who is the spouse, child, parent, or the next of kin of a "Military Member" with a serious injury or illness incurred in the line of duty shall be entitled to a total of 26 workweeks of leave during a single 12-month period to care for the service member ("Military Caregiver Leave").

"Care" includes both physical and psychological support. A "Military Member" means members of the National Guard and Reserves and the Regular Armed Forces and includes Covered Veterans who are undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

"Covered Veteran" means an individual who was discharged or released under conditions other than dishonorable at any time during the five (5) year period prior to the first date the eligible employee takes FMLA leave to care for the Covered Veteran. However, the period of October 28, 2009 through March 8, 2013 is excluded in the determination of the five-year period for Covered Veteran status. "Covered Active Duty" is active-duty deployment to a foreign country.

An eligible employee who is the spouse, child, parent, or the next of kin of a Military Member with a serious injury or illness incurred in the line of duty shall be entitled to a total of 26 workweeks of leave during a single 12-month period to care for the Military Member. Such leave may also be taken to care for a Covered Veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

A serious injury or illness includes injuries or illnesses that existed before the beginning of the Military Member's active duty provided they were aggravated by service in the line of duty on active duty in the Armed Forces.

A serious injury or illness for a Covered Veteran means an injury or illness that was incurred or aggravated by the Military Member in the line of duty on active duty in the Armed Forces and manifested itself before or after the member became a Covered Veteran and is:

- A continuation of a serious injury or illness that was incurred or aggravated when the Covered Veteran was a member of the Armed Forces and rendered the Military Member unable to perform the duties of their office, grade, rank, or rating; or
- A physical or mental condition for which the Covered Veteran has received a VA Military Related Disability Rating (VASRD) of 50% or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; or
- A physical or mental condition that substantially impairs the Veteran's ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service or would do so absent treatment; or
- An injury, including a psychological injury, on the basis of which the Covered Veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

Military Caregiver Leave shall only be available on a per injury basis during a single 12-month period measured forward from the day the leave begins. Additional leave may be granted during a subsequent 12-month period for a different injury to the same covered Military Member or for an injury to a different Military Member.

**Notice of Need for FMLA Leave:** An employee must provide Yates Industries, Inc. with at least a 30-day advance notice of the need to take a FMLA leave where the need is foreseeable. If the employee fails to give 30 days' notice, Yates Industries, Inc. may deny the employee FMLA leave until at least 30 days after the employee made the leave request. Where the need for a leave is not foreseeable, the employee must provide notice as soon as practical, which will mean generally at least a verbal notification within two (2) business days of when the need for leave becomes known to the employee. When leave is taken because of an active-duty qualifying exigency, the employee shall provide as much notice as is reasonable and practical. For any leave of absence, notice may be given by telephone, fax or other electronic means, and may be given by the employee or an adult family member.

**Leave Request:** When any time-off is requested, Yates Industries, Inc. may inquire about the circumstances for the purpose of determining whether the requested time-off appears to qualify as FMLA leave. Any request determined by Yates Industries, Inc. to qualify as FMLA leave will be credited against the employee's FMLA leave for the 12-month rolling period. The employee will be told whether the time-off qualifies as FMLA leave before the start of the leave, or as soon thereafter as is practical but, normally, before the end of the leave. Employees taking leave under this policy are not permitted to engage in any other work for themselves or another employer. Should an employee do so, they will be discharged.

**Use of Paid Leave Time:** When time-off work qualifies as FMLA leave, the employee is required to first exhaust any accrued PTO, which will be credited against their FMLA leave to the extent permitted by federal law. Any remaining FMLA leave to which the employee is entitled will then



be taken on an unpaid basis, unless the employee is eligible to receive Short Term Disability benefits or worker's disability compensation benefits. Where an employee is eligible for Short Term Disability benefits or worker's disability compensation benefits, accrued PTO shall be utilized during any waiting period. An employee may not supplement disability benefits with paid time off. Also, an employee will not continue to accrue PTO while they are on FMLA leave.

**Medical Certification:** An employee who requests leave to care for the employee's seriously ill spouse, child or parent (including *in loco parentis*), or due to the employee's own serious health condition that makes the employee unable to perform the duties of their position, must furnish THE COMPANY with an appropriate medical certificate completed by the employee and the health care provider. Forms may be obtained from their Human Resources Manager.

Under most circumstances, the certificate must be provided not later than the 15<sup>th</sup> calendar day from the date that Yates Industries, Inc. requests medical certification. Where an emergency or unusual condition exists, the certificate must be provided within a reasonable time. Failure to timely provide a completed certification will result in the delay of processing the FMLA leave request until the certification is submitted. It may also result in disciplinary action up to and including discharge for time off that is later determined as unapproved absences in excess of time off permitted under Yates Industries, Inc.'s policies.

If Yates Industries, Inc. disagrees with the medical certificate, it may request a second opinion at its own expense. If the opinions of the employee's and Yates Industries, Inc.'s designated health care providers differ, Yates Industries, Inc., at its expense, may require the employee to obtain certification from a third health care provider who is approved by both it and the employee. The opinion of the third health care provider will be final and binding. If the employee fails to act in good faith in approving the third health care provider or refuses to be examined or to cooperate in the examination by the third health care provider, the employee will be bound by the second certification.

After the serious health condition of the employee (or their relative) has resulted in FMLA leave for 30 or more consecutive days, a recertification must be supplied to Yates Industries, Inc. and at the end of each 30-day period thereafter or after the period of incapacity as specified on the certification furnished by the health care provider, whichever is longer. Under certain circumstances, Yates Industries, Inc. may require recertification more often.

**Certification Related to Active Duty Qualified Exigency or Military Caregiver Leave:** An employee who takes Military Caregiver Leave, or who has an active duty qualified exigency, shall be required to provide appropriate certification in a timely manner supporting the need for such leave.

Yates Industries, Inc. may require the employee to provide documentation of enrollment in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers, documentation confirming familial relationship or showing the veteran's discharge date and status or other documentation as permitted under FMLA. Yates Industries, Inc. may also require second and third opinions of healthcare providers who are not affiliated with the Department of Defense, Veteran Affairs, or TRICARE using the process described above.

**Medical Certification Abroad:** Medical certification(s) may be provided by a health care provider in another country when the Employee is traveling or a family member resides in another

country when the serious health condition develops. If the certification provided by a foreign healthcare provider is not in English, the Employee is required to provide Yates Industries, Inc. with a written English translation at their expense.

**Intermittent/Reduced Leave Schedule:** If an employee requests intermittent leave, or leave on a reduced leave schedule, the employee must advise Yates Industries, Inc. (1) why the intermittent/reduced leave schedule is medically necessary, and (2) of the schedule for treatment. Intermittent leave may be taken in increments of one hour or more. The employee is required to meet with their manager and the Human Resources Manager to work out a treatment schedule that meets the employee's needs without unduly disrupting Yates Industries, Inc.'s operations. If the meeting takes place after treatment has been scheduled, Yates Industries, Inc. may, in certain instances, require the employee to attempt to reschedule treatment.

Yates Industries, Inc. may assign the employee requesting intermittent or a reduced leave schedule to an alternate position with equivalent pay and benefits, but not necessarily equivalent job duties, which will better accommodate the employee's intermittent or reduced leave schedule. While Yates Industries, Inc. may also transfer the employee to a part-time job with the same hourly rate of pay and benefits, the employee will not be required to take more leave than is medically necessary. When a transfer to a part-time position has been made to accommodate an intermittent or reduced leave schedule, Yates Industries, Inc. will continue group health benefits on the same basis as provided for a full-time employee for the 12 weeks of FMLA leave. However, other benefits (such as PTO) which are based on the number of hours worked will be proportionately reduced. Similarly, the salary of exempt employees may be reduced for hours taken as intermittent or reduced FMLA leave.

While intermittent and reduced leave schedules are available to an employee for prenatal care, they are not available for the birth or placement of a child for adoption or foster care. Intermittent and reduced leave schedules are available to an employee for an active-duty qualifying exigency leave or a Military Caregiver Leave.

**Group Health and Other Benefits:** In general, an employee on FMLA-qualified leave will be entitled to continue to receive group health benefits under the same terms and conditions as they received those benefits prior to taking the leave. An employee may elect, however, not to continue group health benefits for the time that they are on unpaid FMLA leave. An employee who wishes to continue group health benefits while on unpaid FMLA leave must make arrangements with Human Resources for the payment of the employee's share of premiums.

Yates Industries, Inc. will not continue coverage for benefits other than group health to an employee on FMLA leave. However, once the employee returns to work following FMLA leave, they will be restored to all benefit coverage received prior to the FMLA leave without any additional waiting period or other limitation.

**Return to Work:** Upon conclusion of FMLA leave, an employee will be returned to the same position the employee held when the leave commenced or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. An employee who takes FMLA leave due to the employee's own serious health condition must provide, prior to resuming work, a certification from the employee's health care provider indicating that, with regard to the serious health condition necessitating the leave, the employee is medically able to resume work. The employee will not be allowed to return to work until certification is provided.



## **Employees Unable to Return to Work due to that Employee's Serious Health Condition**

If an employee has exhausted their FMLA leave and is unable to return to work due to their physical conditions, with or without reasonable accommodation, the employee must submit a request for job continuation which includes the reason for the request for additional time off, the amount of time requested, and submit the appropriate paperwork for leave and/or accommodation under the Americans with Disability Act. This paperwork should be requested from H.R. It will require a statement from your doctor which includes the reason for the request, the date of your return to work, and if there are any reasonable accommodations which could be made to return you to your position without extending leave. If this request for an extension is granted and the employee seeks a further extension in the future, they must follow this procedure in making their request.

**Key Employees:** A “key” employee is an eligible salaried employee who is among the highest paid 10% of all employees with 75 miles of their work site. While Yates Industries, Inc. will not deny FMLA leave to an eligible key employee, Yates Industries, Inc. may deny job restoration where the restoration will cause it substantial and grievous economic injury or substantial long-term economic injury. An employee who is designated as a key employee generally will be notified of that fact when they request FMLA leave, or at the commencement of such leave, whichever occurs first reinstatement.

**Notice Regarding Change In Return to Work Date:** If an employee's expected date of return to work changes, the employee is required to notify Yates Industries, Inc. of that fact within two (2) days of learning of the change in the expected return to work date.

**Notice Regarding Not Returning to Work:** Any employee (including a key employee) who is on FMLA leave and decides that they will not return to work upon conclusion of the FMLA leave must notify Yates Industries, Inc. their decision prior to the employee's scheduled return to work date. For FMLA leave which extends for 30 or more continuous days, Yates Industries, Inc. may require at reasonable intervals a report by the employee of their intent to return to work.

**Repayment of Group Health Benefits:** If, after taking FMLA leave, an employee fails to return to work for a reason other than the employee's serious health condition or that of the employee's child, spouse, or parent (including *in loco parentis*), or because of a condition specified in the certification provided in support of a Military Caregiver Leave, or a reason that is beyond the employee's control as determined by Yates Industries, Inc. in accordance with the FMLA, the employee must reimburse Yates Industries, Inc. for all group health benefit premiums paid by Yates Industries, Inc. during the employee's unpaid FMLA leave. An employee will be considered as having returned to work only after they have returned to work for at least 30 calendar days.

Where an employee fails to return to work due to one of the reasons above, Yates Industries, Inc. requires the employee to provide medical certification of that health condition within 30 days from the date of its request. If a completed certification is not timely provided, the employee must reimburse Yates Industries, Inc. for all group health benefit premiums paid by it during the employee's unpaid FMLA leave.

Prior to commencing FMLA leave, the employee is required to sign specific form(s) stating that, if the employee fails to return to work following the leave for reasons other than a serious health condition or for a reason beyond the employee's control as provided by the FMLA, they consent to have, as permitted by law, the amount deducted from sick/paid time off pay, severance payments

or other amounts, if any, which Yates Industries, Inc. owes to the departing employee in the final paycheck and to repay any amounts that exceed any permissible deductions under the law.

**Other Information:** Yates Industries, Inc. shall safeguard and maintain in confidence all records as required under FMLA and under the Genetic Information Non-Discrimination Act.

Yates Industries, Inc. provides FMLA leave benefits under its policy *only* to the extent required by federal law.

## **UNPAID LEAVES OF ABSENCE WHICH DO NOT QUALIFY UNDER FMLA**

Yates Industries, Inc. recognizes that from time to time personal situations arise that require an employee's absence from scheduled work. In its desire to be consistent and fair with employees in meeting these situations, Yates Industries, Inc. has established policies to guide the granting of leaves of absence in circumstances that do not meet the standards for leaves under the FMLA.

If the employee qualifies under FMLA, the leave must be taken under the FMLA. If the employee does not meet the qualifications for FMLA, the employee, should they qualify, may take a leave of absence under this policy. Any leave taken during the previous 12 months under the FMLA will be counted towards the maximum leave time allowed under this policy.

Any employee who desires a leave of absence must apply for and secure written permission from Yates Industries, Inc. If possible, the Company would appreciate a thirty (30) day notice. The request must be in writing to the Human Resources Department and must state the purpose of the leave and the length of time requested. Yates Industries, Inc. will require that the employee exhaust all paid leave time (i.e., PTO and unpaid personal/sick time) as part of the leave. Approval for a leave depends upon Yates Industries, Inc.'s operational requirements, the employee's performance record, and the reason for the leave.

Leave may be granted up to a maximum of twelve weeks in any 12-month period. Except as required by law, if an employee fails to return to work on the first regularly scheduled workday upon expiration of leave it will be assumed the intention is not to return and the employment will be terminated, effective the first regularly scheduled workday.

If, during the leave, the employee accepts employment elsewhere, the employee will be considered as having voluntarily quit without notice as of the effective date of the leave.

A leave of absence may be cancelled for just cause or if the reason for the leave has been misrepresented, and if such leave is cancelled, Yates Industries, Inc. will send to the employee a written notice of recall. Failure to respond within three workdays will be considered a voluntary termination.

If an employee is granted a leave of absence under this policy, the Company will endeavor, when possible, to reserve their job up to twelve weeks. Holidays observed by the Company that fall within the leave will not be paid. PTO and sick leave do not accrue during the leave. An employee's position will not be held open while they are out on a Yates Industries, Inc. leave if other employees who are employed in similar positions are the subject of layoffs. In this situation, the employee will be treated in the same manner as others who are employed in similar positions.

## **CONTINUATION OF BENEFITS UNDER A NON-FMLA LEAVE**

If the employee is granted a leave under this plan and has worked for Yates Industries, Inc. for more than one year, Yates Industries, Inc. will continue to co-pay the benefits premium(s) in effect at the time the employee was working for twelve (12) weeks of the leave period. The employee is responsible for their portion of the co-payment during any absences. In the 13th week and thereafter, the employee will be responsible for 100% of the COBRA premium should they select to continue coverage by exercising COBRA rights.

If an employee has worked for Yates Industries, Inc. for less than one year, Yates Industries, Inc. will continue to co-pay the benefits premium(s) in effect at the time the employee was working for six (6) weeks of the leave period. The employee is responsible for their portion of the co-payment during these absences. In the 7th week, the employee will be responsible for 100% of the COBRA premium should they select to continue coverage by exercising COBRA rights.

The determination of whether an employee is qualified for 6 weeks or 12 weeks of benefit coverage during a leave will be based on the length of service as of the first day of the leave. Thus, an employee who begins the leave in the 11th month of employment will be entitled to benefit coverage for six weeks, despite the fact that the employee will have completed one year of service during the leave period.

If an employee chooses not to continue insurance benefits for the twelve or six-week period (as applicable) under this leave policy, the employee will not be eligible for COBRA Coverage.

While an employee is out on leave any failure to make a benefit co-payment within thirty (30) days of the due date shall result in cancellation of the benefit coverage. If an employee returns to work, they must wait until the next enrollment period to become re-eligible for benefit coverage and they must resume making benefit co-payments at that time.

If an employee out under this leave policy continues benefit coverage and fails to return to work for at least 30 consecutive work days immediately following the end of the leave, the employee must, upon receipt of an invoice, reimburse Yates Industries, Inc. for group insurance premiums (whether made on the employee's behalf or whether it was Yates Industries, Inc.'s portion of any group insurance premium) that Yates Industries, Inc. made during the course of the employee's unpaid leave of absence. Furthermore, for PTO purposes, the last day of paid time will be considered the date of employment termination.

## **HIPAA HEALTH & WELFARE BENEFIT PLAN**

### Special Enrollment rights effective April 1, 2009

If you decline coverage for yourself and/or your dependents (including your spouse) because you are covered under another health plan, you may, in the future, be able to enroll yourself and/or your dependents in the plan if you experience an involuntary loss of that coverage (e.g., spouse loses their job, divorce) or if the employer stops contributing towards the coverage. However, you must request enrollment within 30 days after your other coverage ends or after the employer stops contributing towards the other coverage.

In addition, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and/or your dependent(s). However, you must request enrollment within 30 days after the marriage, birth, adoption or placement for adoption.

If you or a dependent is covered under a Medicaid or CHIP (Children's Health Insurance Program) and coverage is terminated as a result of the loss of eligibility for Medicaid or CHIP coverage, you may be able to enroll yourself and/or your dependent(s). However, you must request enrollment within 60 days after the date eligibility is lost.

Finally, if you or a dependent becomes eligible for premium assistance under an applicable State Medicaid or CHIP plan to purchase coverage under the group health plan, you may be able to enroll yourself and/or your dependent(s). However, you must request enrollment within 60 days after you or your dependent is determined to be eligible for State premium assistance. Keep in mind that premium assistance is not available in all states.

## **MILITARY LEAVE**

Federal and State statutes mandate that the Company leave to employees who are drafted into the Armed Forces and who voluntarily choose to serve in the military and to reservists and National Guard members. Military leave must be allowed for active duty, training, or to meet military related obligations, such as reporting for periodic physical fitness examinations.

The Company is required, under the federal Uniformed Services Employment and Reemployment Rights Act (USERRA), to reinstate those returning from services to their former job following discharge or release from active duty, reserve duty, or training.

Upon returning from military service, the employee's salary will be established to recognize any adjustments that would have occurred during the period when the employee would have been working for the Company.

1. If the employee would have been in the same position upon return and the salary range had been increased, the salary will be determined by the point in the range the employee would have reached if they did not leave for military service.
2. If the employee returns to a more responsible job, the salary will be based on the present rates for the position and will be at least the same as the lowest paid qualified person in a similar position.

The USERRA requires the Company to offer continuous coverage for up to eighteen (18) months to employees who were previously covered by the Company's health plan and who are absent due to military service. If the military service does not exceed thirty-one (31) days, the health plan cannot require the employee to pay more than the employee's normal share for the coverage.

The Company's pension plans - both defined benefit and defined contribution plans - must treat employees on military leave as if they had been in continuous employment. The Company must allow returning employees the chance to make up missed employee contributions to defined contribution Pension plans and must make corresponding firm contributions.

Employees who are members of the reserve components of the Armed Forces and who are required to go on active duty for summer encampment will be granted a leave of absence without pay for the period of absence attributable to such reasons upon presentation of documents to substantiate said leave. It is recommended that leave of absence for this purpose be taken as a PTO whenever possible.

## **JURY DUTY**

The Company recognizes the civic responsibility of jury duty service in the federal and state court systems by permitting time off from work when an employee is summoned to jury duty. Employees are encouraged to serve on jury duty when summoned and will not be penalized, terminated, or disciplined due to their jury duty service.

Employees summoned to jury duty will be given an unpaid leave unless applicable state or local law requires otherwise. Employees are not required by the Company but may request to use PTO time off. Exempt employees will be paid as necessary to comply with federal and state wage and hour laws, therefore exempt employee's salary will not be reduced by the number of hours or days they are absent unless they perform no work during a given week.

Employees requesting leave for these purposes will be required to provide a copy of the summons to serve on jury duty prior to commencement of the leave.

The Company does not require employees to reimburse the Company for the stipend amount issued by the court for their service. Employees are entitled to continued group health plan coverage under the same conditions as if they had continued to work. Unless the Company notifies employees of other arrangements, whenever employees are receiving pay from the Company during leave, the Company will deduct the employee portion of the group health plan premium from the employee's paycheck in the same manner as if the employee was actively working. If leave is unpaid, employees must pay their portion of the group health premium. Employees excused from jury service before the halfway point of their scheduled workday are required to contact their supervisor/manager to find out if they should report for work.

## **BEREAVEMENT/FUNERAL**

After 90 days of employment, you will be entitled to (1) paid bereavement day and (2) additional unpaid days (*these 3 days do not count against your personal day allowance*) in the event of the death of an immediate family member including mother/stepmother, father/stepfather, brother, sister, children (*including dependent stepchildren and/or adopted*), grandmother, grandfather, spouse, spouse's parent (*spouse's mother/stepmother, or father/stepfather*). A STANDARD FUNERAL FORM OR OTHER DOCUMENTATION OF RELATIONSHIP MUST BE PROVIDED AS VERIFICATION.

## INSURANCE/OTHER BENEFITS

The Company provides for the benefit of qualifying eligible employees the following:

- Health (Medical, RX, Vision) Insurance –(*partial premiums payroll deducted*) \*\*pre-tax;
- FSA – only used with NON-high deductible health ins plan (Medical/Dental) \*\*pre-tax;
- FSA (Dependent Care) \*\*pre-tax;
- HSA – only used with high deductible health ins plan (Medical/Dental expenses) \*\*pre-tax;
- Life Insurance (*employer sponsored*);
- Life Insurance (*voluntary coverage, payroll deducted*) \*\*post-tax;
- Critical Care Insurance (*voluntary coverage, payroll deducted*) \*\* pre-tax;
- Short Term Disability (*voluntary coverage, payroll deducted*) \*\* pre-tax and post-tax options;
- Dental Insurance –(*employee coverage paid by employer; add'l is voluntary coverage, payroll deducted*) \*\*pre-tax;
- 401K Retirement Plan (*payroll deducted*) \*\*pre-tax;
- Employee Assistance Program
- Prescription Safety Glasses Program

There are various requirements, exclusions and exceptions with regard to eligibility, participation, coverage, premiums, and extent of benefits. For more information regarding eligibility, participation, coverage and other requirements and details, please see the Controller/HR Manager or HR personnel. Yates Industries, Inc. reserves the right to change/discontinue benefits, insurance carriers, coverage, etc. at its discretion at any time. In the event of any contradiction between the summary reproduced here and the actual plan documents for any insurance, the actual plan documents, or Summary Plan Description control.

## EMPLOYEE ASSISTANCE PROGRAM (EAP) STATEMENT

The Company recognizes that a wide range of problems, such as marital or family distress, alcoholism, and drug abuse, not directly associated with an individual's job function, can be detrimental to an employee's job performance. The Company believes it is in the interest of employees and the organization to provide an effective EAP to assist employees and their families resolve any such problems as the need arises.

Our EAP provides consultation services for referrals to local community treatment sources. All employees are free to use this program and are encouraged to do so. Employee visits to the EAP are held in confidence to the maximum extent possible. Information and a link regarding this program are available on the Employee ADP workforcenow portal.

Participation in our EAP does not excuse employees from complying with normal company policies or from meeting normal job requirements during or after receiving assistance, nor will participation in our EAP prevent the Company from taking disciplinary action against any employee for performance problems that occur before or after the employee's seeking assistance through the program.



## CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)

If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance coverage, you may in the future be able to enroll yourself or your dependents in this plan, provided that you request enrollment within thirty (30) days after your other coverage ends. In addition, if you have a new dependent as a result of marriage, adoption, birth, or placement for adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within thirty-(30) days of the *qualifying event* marriage, adoption, birth, or placement for adoption.

Employees and their dependents who are covered by our health insurance plan have specific rights to continued health insurance benefits under the Company's health insurance plan when certain events ("qualifying events") occur that would terminate participation under the plan. The continuation coverage will be identical to the health benefits provided at the time of the qualifying event to similarly situated employees or dependents for which the qualifying event has not occurred. Depending on the type of qualifying event, employees, spouses of employees, and dependent children of employees may be "qualified beneficiaries."

A qualifying event as defined by the Consolidated Omnibus Budget Reconciliation Act (COBRA) is as follows:

- Reduction of hours or termination or employment (for other than gross misconduct);
- Death of a covered employee;
- Divorce or legal separation from a covered employee;
- Divorce or legal separation of an employee with covered dependent children;
- Covered employee becoming entitled to Medicare; or
- Covered dependent no longer satisfies dependent status under the health insurance plan.

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan administrator has been notified that a qualifying event has occurred. When the qualifying event is divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child, you must notify the plan administrator within 60 days after the qualifying event occurs.

You must send this notice to: Wageworks inc., PO Box 223684, Dallas, TX 75222-3684;  
Phone #888-678-4881; Website: [mybenefits.wageworks.com](http://mybenefits.wageworks.com)

Once the Plan administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. For each qualified beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that Plan coverage would otherwise have been lost.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, enrollment of the employee in Medicare (Part A, Part B, or both), your divorce or legal separation, or a dependent child losing eligibility as a dependent child, COBRA continuation coverage lasts for up to 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage lasts for up to 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended:

1. If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled at any time during the first 60 days of COBRA continuation coverage and you notify the Plan administrator in a timely fashion, you and your entire family can receive an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. You must make sure the Plan administrator is notified of the Social Security Administration's determination within 60 days of the date of determination and before the end of the 18-month period of COBRA continuation coverage. This notice should be sent to: Wageworks inc., PO Box 223684, Dallas, TX 75222-3684; Phone #888-678-4881;

Website: [mybenefits.wageworks.com](http://mybenefits.wageworks.com)

2. If your family experiences another qualifying event while receiving COBRA continuation coverage, the spouse and dependent children in your family can get additional months of COBRA continuation coverage up to a maximum of 36 months. This extension is available to the spouse and dependent children if the former employee dies, enrolls in Medicare (Part A, Part B, or both), or gets divorced or legally separated, as well as to a dependent child when that child stops being eligible under the Plan as a dependent child. In each of these cases, you must make sure that the Plan administrator is notified of the second qualifying event within 60 days of the second qualifying event. This notice should be sent to: Wageworks inc., PO Box 223684, Dallas, TX 75222-3684; Phone #888-678-4881; Website: [mybenefits.wageworks.com](http://mybenefits.wageworks.com)

Employees or their dependents that elect COBRA continuation coverage will pay the full cost of the continued coverage, plus an administrative fee. Employees and/or their dependents have sixty (60) days from the date of the COBRA election notice or the date their coverage terminates, whichever is later, to elect COBRA continuation coverage. If the election form is not returned within the specified time period, coverage under the health plan will terminate.

You must keep the Plan administrator informed of any address changes for you or your qualified beneficiaries. For further information regarding COBRA continuation coverage, contact:

Wageworks inc., PO Box 223684, Dallas, TX 75222-3684;

Phone #888-678-4881; Website: [mybenefits.wageworks.com](http://mybenefits.wageworks.com)

or you can contact the nearest Office of the U.S. Department of Labor's employee Benefits Security Administration (EBSA), the address of which can be found at [www.dol.gov](http://www.dol.gov).

It is imperative that you notify us immediately of any of the above changes that we would not already know about, such as divorce or dependent child eligibility. Additional information will be provided to you at that time with instructions regarding application, payment and deadlines.



SECTION VI  
SAFETY POLICIES

## SAFETY RULES

It is the policy of Yates Industries, Inc. to provide and maintain safe working conditions; to follow operating practices that will safeguard all employees and create safe working conditions and efficient operations.

Yates Industries, Inc. expects all employees to be safety conscious and to assist in finding conditions in our plant and offices that might cause an accident. If you notice or suspect unsafe conditions, notify a Safety Committee Representative, your Supervisor, or a Manager immediately.

- (1) Horseplay (including throwing of objects or water), and practical joking can result in serious injuries or death and are strictly prohibited and punishable. Yelling, whistling, loud radio playing or any other kind of confusion that could cause a delay in calling for assistance is not allowed.
- (2) OSHA approved safety glasses are REQUIRED in the plant. If prescription glasses are worn, you MUST have OSHA approved prescription lenses and sides shields or wear your safety glasses over your prescription glasses. *(the Company does provide a program to lower the cost of OSHA approved prescription glasses – see Safety Coordinator or HR personnel for details)*
- (3) Disposable hearing protection is available and provided upon request, non-disposable types may be available by special request. These rules are by order of the Michigan Occupational Safety and Health Administration.
- (4) Proper safety goggles or visor will be provided and must be worn when grinding, chipping, welding, solvent cleaning, or doing any work where flying particles may cause injury to the eyes.
- (5) The wearing of loose clothing, long loose sleeves, bracelets, necklaces, and rings is not permitted while working on or around moving machinery. It is required to have your hair tied back to avoid engaging with machinery. There are to be no shorts, halter-tops, or midriffs worn while working. Shirts are to be worn at all times. After 90 days of employment, uniforms may be issued to shop personnel *(see Uniform Policy)*.
- (6) Work shoes/boots or leather shoes which have low rubber heels and soles, or any other common shoe that enclose the feet are required in the shop. However, tennis shoes are not allowed for shop personnel. Steel-toed work shoes/boots are encouraged for all shop personnel. *(see Dress Code Policy)*
- (7) In case of injury, NO MATTER HOW SLIGHT, it must be reported to your Supervisor or a Manager immediately. Under no circumstances should you treat your own or a co-worker's injuries or remove foreign particles from the eye. Failure to report injuries promptly may exclude you from benefits to which you may otherwise be entitled.
- (8) Air hoses are to be used only for their intended purpose and shall never be directed at another person, even at their request.

- (9) Keep tools / equipment in safe condition to insure properly positioned to avoid slipping.
- (10) Poor housekeeping can be the cause of accidents, wasted material, and wasted time. Maintain clear aisles stack material neatly and solidly, return tools and equipment to their proper storage places, and keep floors clean and clear of debris. Stairways and exits must always be clear.
- (11) Report any irregularity in equipment immediately to your Supervisor or a Manager. Do NOT operate until inspected and/or repaired.
- (12) Only clean, non-slip step, steel or wood portable ladders may be used and properly positioned. User must not go above 2 rungs from the top of the ladder. Aluminum ladders are not allowed to be used.
- (13) Only authorized personnel with permits or in training can operate forklifts and cranes. The equipment is to be operated slowly and cautiously at times, obeying safety rules. It is the employee's responsibility to notify your Supervisor if your permit expires.
- (14) Authorized personnel performing maintenance on powered equipment must follow proper lockout tag out procedures.
- (15) OSHA Respirator Medical Evaluation Questionnaire will be given to any employee who will be using a respirator.
- (16) NIOSH approved respirator protection will be properly fitted and provided in mandatory areas and available for others upon request.
- (17) All documented Safety material which includes the Haz-Com Plan, MSDS books and the Yates Safety Plan is readily available to all employees at the Information Center.
- (18) Proper labeling is enforced for all transferred chemicals.
- (19) Right to Know information is updated as necessary for all employees to view.
- (20) All safety requirements are established per the MIOSHA Standards, you may see the company's Safety Coordinator with any questions.

## OTHER INFORMATION *(Informational purposes only)*

EMPLOYEE ASSISTANCE PROGRAM    <https://wl.lifecare.com/home>    (855)547-8508

### ASSISTANCE / SERVICES

United Way (Southeast MI)	<a href="http://www.unitedwaysem.org">www.unitedwaysem.org</a>	(800)552-1183
United Way (AL)	<a href="http://www.uwnwal.org">www.uwnwal.org</a>	(256)764-5892
United Way (GA)	<a href="http://www.unitedwaynega.org">www.unitedwaynega.org</a>	(404)527-7200
United Way (OH)	<a href="http://www.unitedway.org">www.unitedway.org</a>	
National Helpline /SAMHSA	<a href="http://www.samhsa.gov">www.samhsa.gov</a>	(800) 662-4357

### ALCOHOL/DRUG ABUSE

Alcoholics Anonymous	<a href="http://www.aa.org">www.aa.org</a>
Narcotics Anonymous	<a href="http://www.na.org">www.na.org</a>

### CHILDREN’S SERVICES

Children’s Protective Services (MI)	<a href="http://www.michigan.gov/mdhhs">www.michigan.gov/mdhhs</a>	(855) 444-3911
Children’s Protective Services (AL)	<a href="http://dhr.alabama.gov">dhr.alabama.gov</a>	(334) 242-1310
Children’s Protective Services (GA)	<a href="http://dfcs.georgia.gov">dfcs.georgia.gov</a>	(404) 657-3433
Children’s Protective Services (OH)	<a href="http://www.jfs.ohio.gov">www.jfs.ohio.gov</a>	(855) 642-4453

### CRISIS/SUICIDE PREVENTION (24 hours)

Suicide Prevention Services (MI)	<a href="http://www.michigan.gov/mdhhs">www.michigan.gov/mdhhs</a>	(800) 273-8255
Suicide Crisis Services (AL)	<a href="http://www.alabamapublichealth.gov/suicide">www.alabamapublichealth.gov/suicide</a>	(800) 273-8255
Georgia Crisis Services (GA)	<a href="http://www.dbhdd.georgia.gov/bh-prevention">www.dbhdd.georgia.gov/bh-prevention</a>	(800) 273-8255
Ohio Crisis Services (OH)	<a href="http://www.ohiospf.org">www.ohiospf.org</a>	(800) 273-8255

CENTER FOR DISEASE CONTROL    [www.cdc.gov](http://www.cdc.gov)    (800) 232-4636

### DOMESTIC VIOLENCE SHELTERS/INFORMATION (24 hours)

National Domestic Violence Helpline	<a href="http://www.thehotline.org">www.thehotline.org</a>	(800) 799-7233
Wayne County-MI (First Step)	<a href="http://www.firststep-mi.org">www.firststep-mi.org</a>	(734) 722-6800
Oakland County-MI (Haven)	<a href="http://www.haven-oakland.org">www.haven-oakland.org</a>	(877) 922-1274
Macomb County-MI (Turning Point)	<a href="http://www.turningpointmacomb.org">www.turningpointmacomb.org</a>	(586) 463-6990
Domestic Violence Help (AL)	<a href="http://www.acf.hhs.gov/fysb">www.acf.hhs.gov/fysb</a>	(334) 832-4842
Domestic Violence Help (GA)	<a href="http://www.gcadv.org">www.gcadv.org</a>	(800) 334-2836
Domestic Violence Help (OH)	<a href="http://www.odvn.org">www.odvn.org</a>	(800) 934-9840

POISON CONTROL (24 hours)    [www.aapcc.org](http://www.aapcc.org)    (800) 222-1222

### RESOURCES

Social Security	<a href="http://www.ssa.gov">www.ssa.gov</a>	(800) 772-1213
Identity Theft	<a href="http://www.hhs.gov">www.hhs.gov</a>	(877) 438-4338
Medicare Information Hotline	<a href="http://www.medicare.gov">www.medicare.gov</a>	(800) 633-4227

*\*for informational purposes only; the Company does not endorse any of the above resources.*  
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