



Employee Handbook

Company Policies and Procedures

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**ATAP, Inc.
130 Industry Way
Eastaboga, AL 36260
(256) 362-2221**

Contents

EQUAL EMPLOYMENT OPPORTUNITY	3
EMPLOYMENT AT WILL	3
ADA	3
I-9 IMMIGRATION REFORM	3
COMPANY HISTORY	4
ATTENDANCE	5
PROBATIONARY PERIOD	5
HOURS OF WORK AND OVERTIME	5
TIME CLOCK	7
PAY PERIOD	8
FLSA SAFE HARBOR POLICY	8
LOST CHECKS	9
ABSENTEEISM	10
TARDINESS	10
CALL – IN PROCEDURES	11
BULLETIN BOARDS	11
CLEANLINESS	11
COMPANY VEHICLES	11
CELL PHONES	12
DRUG AND ALCOHOL POLICY	12
GIFTS	15
GRIEVANCE PROCEDURE	16
WORKPLACE HARASSMENT	16
VIOLENCE-FREE WORKPLACE	17
JURY DUTY	18
LEAVE OF ABSENCE	18
THE FAMILY & MEDICAL LEAVE ACT NOTICE	19
OUTSIDE EMPLOYMENT	21
PARKING	21
PERSONAL VEHICLES IN COMPANY PARKING AREA	21
PERSONAL TELEPHONE CALLS	21
PERSONAL USE OF PLANT EQUIPMENT & FACILITIES	21
SAFETY AND HEALTH	22

SENIORITY	24
SMOKING AND SMOKELESS TOBACCO PRODUCTS	26
SOLICITATIONS AND DISTRIBUTION OF LITERATURE	26
TERMINATION OF EMPLOYMENT.....	27
TOOL REQUIREMENT	27
VISITATION ON THE JOB.....	27
COMPANY RULES	28
TO ENTER AND EXIT BUILDINGS	31
EMPLOYEE BENEFIT PROGRAMS.....	31
FREE DAYS.....	32
FUNERAL ALLOWANCE	32
HOLIDAYS	33
INSURANCE BENEFITS.....	34
RETIREMENT PLANS (ESOP & 401K PLAN).....	35
UNIFORMS	36
VACATIONS	36
ATAP COMPUTER AND E-MAIL USAGE	38
SOFTWARE CODE OF ETHICS	44
SOCIAL MEDIA.....	45
CODE OF CONDUCT	48
CODE OF CONDUCT ACKNOWLEDGMENT & AGREEMENT	50

EQUAL EMPLOYMENT OPPORTUNITY

ATAP, Inc. is an equal employment opportunity employer and is committed to providing a workplace free of discrimination. We will not discriminate on the basis of race, color, religion, sex, nation origin, age, disability, veteran status or any other legally protected characteristic in accordance with applicable law. Any employee who feels they have been discriminated against must report the incident to your supervisor or the Human Resources Department immediately. An employee who violates the EEO policy will be subject to disciplinary action and/or termination.

EMPLOYMENT AT WILL

Employment with ATAP, Inc. is voluntary and is subject to termination by the employee or ATAP, Inc. at will, with or without cause, and with or without notice, at any time. Nothing in these policies shall be interpreted to be in conflict with or to eliminate or modify in any way the employment-at-will status of ATAP, Inc. employees.

This policy of employment-at-will may not be modified by any officer or employee and shall not be modified in any publication or document. The only exception to this policy is a written employment agreement approved at the discretion of the President or the Board of Directors, whichever is applicable.

These personnel policies are not intended to be a contract of employment or a legal document.

ADA

It is Company policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training, or other terms, conditions, and privileges of employment.

As required by law, Company reasonably accommodates qualified individuals with disabilities. It is the policy of the Company to comply with all Federal, state, and local laws concerning the employment of persons with disabilities.

ATAP, Inc. will reasonably accommodate qualified individuals with a disability so that they can perform the essential functions of the job in question. If you need a reasonable accommodation to perform your job, please see the Human Resources Department.

I-9 IMMIGRATION REFORM

ATAP, Inc. complies with the Immigration Reform and Control Act, employing only those persons who are legally eligible to work in the United States.

ATAP, Inc. complies with the Immigration Reform and Control Act of 1986 by employing only United States citizens and non-citizens who are authorized to work in the United States. All employees are asked on their first day of employment to provide original documents verifying the right to work in the United States and to sign a verification form required by federal law (INS Form I-9). If an individual cannot verify his/her right to work within three days of hire, ATAP, Inc. must terminate his/her employment.

ATAP, Inc. will provide the Social Security Administration (SSA) and, if necessary, the Department of Homeland Security (DHS), with information from each new employee's Form I-9 to confirm work authorization.

COMPANY HISTORY

ATAP, Inc. is an employee owned small business that is primarily involved in providing vehicle and ground support equipment (GSE) manufacturing, remanufacturing services, and part sales to the United States Department of Defense (US DOD), Foreign Militaries (through the US DOD and other Prime Contractors), and military aircraft manufacturers.

ATAP, Inc., originally Quality Manufacturing, was founded in 1962 in Pell City, Alabama, and moved to its present location in 1963. Over the course of the company's fifty-five plus years, this facility has remanufactured ground support vehicles and equipment for the US Air Force, US Navy, and Marine Corps. ATAP is historically known as a Fire Truck / Crash Truck facility. We are presently the worldwide depot overhaul facility for A/S32R-11 fueling truck. We have also recently completed overhaul contracts for the USMC CAT I A1 Cougar MRAP vehicle and the USMC A/S32P-19 Crash Fire Rescue Vehicle. We have overhauled 25K, 40K, and CL3 Aircraft Cargo Loading Trucks and many vehicle components on past contracts.

ATAP, Inc. has successfully developed, manufactured and delivered new vehicles as well. Some examples are the Flight Line Tow Tractor based on an F-350 chassis and the next generation A/S32R-11 6,000 Gallon refueling vehicle with the next generation engine management system integrated and options for Vapor recovery and Hydrant servicing as well.

ATAP, Inc. supplies parts to the US DOD and U.S. bases worldwide. Most of the equipment we build and/or service is of a highly specialized nature and is used to support the flight line on U.S. Military air bases as well as the warfighter in the field. ATAP has become sole supplier for many spare parts of this type and we have a reputation of supplying "hard-to-find" items. ATAP has built on this reputation and ability by securing the first Third Party Logistics (3PL & 3PEP) contracts from WR/ALC from 2007 to present. Also the Strategic Replenishment Contract and a DLA 3PL in Huntsville. These contract vehicles task ATAP with sourcing, pricing, securing and distributing GSE and aviation tooling from a pool of thousands of unique items to support DOD operations worldwide.

Our main strength as a company lies in our people. ATAP's employees possess a depth of experience that enables us to rapidly gear up for full scale production. These skilled technicians conduct high output overhaul without sacrificing the quality of our completed product. As an

employee owned company, we operate on the premise that an employee is much more than a "means of production." An ATAP employee is part of the ATAP family and contributes their special skills to the success of each and every project.

Our name is derived from the New Testament verse Matthew 19:26 "through God, All Things Are Possible." God has certainly blessed our company and employees. We recognize that God is the provider of all good things (James 1:17). Our goal is to honor and glorify Him in all that we do by His grace and wisdom in providing excellent work for the benefit of our customers (Col 3:23-24).

ATTENDANCE

When accepting employment, the employee assumes the responsibility of reporting to work in conformity with their assigned work schedule. **When an employee is absent, he/she is required to notify the company as soon as possible by telephoning the main office at (256) 362-2221 and pressing "2" when the voice prompt begins to leave a message. Notification must be given no later than two (2) hours after the start of his or her scheduled shift.** The employee should give notification of absence personally except in cases of dire emergency.

ATAP considers the safety of the employee paramount. ATAP does not want any employee to be unsafe in the case of inclement weather or road conditions which would preclude reasonable safe travel to work. ATAP will excuse tardiness and/or absence at the review and discretion of management regarding the circumstances.

PROBATIONARY PERIOD

The first ninety (90) calendar days of employment is considered a probationary period. During this time you will be given a drug and alcohol test. If you test positive your employment is terminated. Your job performance, attendance, and overall conduct is evaluated during this time by your immediate supervisor. If the evaluation is satisfactory, you may become a full-time employee. However, completion of the probationary period does not alter an employee's at-will employment status as previous described in this handbook.

HOURS OF WORK AND OVERTIME

Section 1. The normal workweek shall consist of five (5) days of eight (8) hours each or four (4) days of ten (10) hours in the period between Monday to Friday of each week. This provision, however, shall in no way be construed as a guarantee by the Company of any amount of work in any period.

Section 2. Employees shall be notified at least one hour prior to the end of the work shift the day prior to scheduled overtime. If more than are needed sign the overtime list, the Company

shall have the option of working all who sign or offering the required overtime to the most senior employee qualified within the grade. If not enough qualified employees volunteer, then the least senior qualified in the department and grade shall be required to work. An employee may not be required to work more than two (2) Saturday's per month. The Company agrees it shall post for overtime for no more than five (5) days at a time per posting. The above notwithstanding, the Company may in its sole discretion require an employee to work overtime without prior notice up to three (3) times per month.

Section 3. (a) Time and one-half of the employee's straight time hourly rate of pay will be paid for all hours worked in excess of forty (40) hours in any one week. (b) Double time will typically be paid for all hours worked on Sunday. (c) Employees who, at the Company's request, work on a designated Paid Holiday, as defined in Employee Benefit Programs - Holidays - Section 3 (see page 33), shall be paid in addition to pay received pursuant to Holidays, time and one-half of the employee's straight time hourly rate of pay for all work performed on said holiday.

Section 5. Any employee working second or third shift, as defined by the Company, at straight time hourly rate will be paid an additional fifteen (15) cents per hour as shift premium pay.

Horn Warning System for five (5) eight (8) hour work days:

Shift hours: 7:30 a.m.-4:00 p.m.

7:25 a.m.	Starting time—proceed to work area
7:30 a.m.	Begin work
8:30 a.m.	Morning break (10 minutes)
8:40 a.m.	Return to work
10:30 a.m.	Lunch break (30 minutes)
11:00 a.m.	Begin to work
1:00 p.m.	Afternoon break (10 minutes)
1:10 p.m.	Return to work
3:50 p.m.	Clean Up Work Area (Not to time clock)
4:00 p.m.	Quitting horn (Proceed to time clock)

(Break times may vary according to departments)

Horn Warning System for four (4) ten (10) hour work days:

Shift hours: (A) 5:30 a.m.-4:00 p.m.(B) 6:00 a.m.-4:30 p.m.

<u>A</u>	<u>B</u>	
5:25 a.m.	5:55 a.m.	Starting time—proceed to work area
5:30 a.m.	6:00 a.m.	Begin work
8:30 a.m.		Morning break (10 minutes)
8:40 a.m.		Return to work
10:30 a.m.	11:00 a.m.	Lunch break (30 minutes)

11:00 a.m.	11:30 a.m.	Begin to work
1:00 p.m.		Afternoon break (10 minutes)
1:10 p.m.		Return to work
3:00 p.m.		Afternoon break (10 minutes)
3:10 p.m.		Return to work
3:50 p.m.	4:25 p.m.	Clean Up Work Area (Not to time clock)
4:00 p.m.	4:30 p.m.	Quitting horn (Proceed to time clock)

(Break times may vary according to departments)

Violation of the horn warning system, as well as, washing up prior to break or lunch will typically result in the following disciplinary action:

First Offense-----	Verbal Warning
Second Offense-----	Written Warning
Third Offense-----	Three-Day Lay-off Without Pay
Fourth Offense-----	Termination

TIME CLOCK

To ensure accurate records are kept of the hours actually worked (including overtime hours when applicable) and employees are paid in a timely manner, each employee is required to clock in at the beginning and end of his/her work shift. Employees are not required to clock out for lunch period, unless leaving the premises.

The employee must sign his/her time card at the end of each day (or week, if applicable). The supervisor will review the time card, resolve any discrepancies with the employee, sign it, and forward it to the Payroll Department for processing.

If you clock your card incorrectly, turn the card over and clock the new time. Draw one straight line through the incorrect time printed. Put your initials beside the line. Then have your supervisor initial it beside your initials. Employee cannot clock in more than 15 minutes prior to shift. Each employee must clock his own time card. Under no circumstances may an employee clock another employee's time card. Knowingly punching time card of another employee is grounds for immediate termination (See Company Rules Section One Rule 19). If an employee punches another employee's card accidentally, he/she must immediately carry his card and the incorrectly punched card to his/her supervisor.

Failure to properly clock time card out when leaving Company premises and clock in when returning will result in the following disciplinary action during a twelve (12) month period. The twelve (12) month period is defined as the 12 months prior to and including the date of the current offense.

First and Second Offense-----	Verbal Warning
Third and Fourth Offense-----	Written Warning
Fifth Offense-----	Three-Day Lay-off Without Pay
Sixth Offense-----	Termination

PAY PERIOD

ATAP, Inc. typically pays on a weekly basis on Thursdays. However, one employee's banking institution may process the Direct Deposit payment more quickly than another employee's banking institution. An employee who has an error with their Direct Deposit amount or their banking institution has not posted their Direct Deposit payment by close of business Thursday should report the matter as soon as possible to the Payroll Department for review and, if needed, correction. Pay stubs delineating the details of an employee's pay amount including all deductions will typically not be distributed before 2:00 p.m. on Thursday. Individual exceptions must be approved by management.

FLSA SAFE HARBOR

It is the policy and practice of the Company to accurately compensate employees and to do so in compliance with all applicable state and federal laws. To make sure that you are paid properly for all time worked and that no improper deductions are made, you must record correctly all work time and review your pay stub promptly to identify and to report any errors.

Review Your Pay Stub

The Company makes every effort to pay its employees correctly. Occasionally, however, inadvertent mistakes can happen. When mistakes do happen and are called to the Company's attention, the Company will promptly make any corrections necessary. Please review your pay stub when you receive it to make sure it is correct. If you believe a mistake has occurred or if you have any questions, please use the reporting procedure outlined below.

Non-exempt Employees (Hourly/Time Card)

If you are classified as a non-exempt employee, you must maintain a record of the total hours you work each day. These hours must be accurately recorded. Each employee must verify that the reported hours worked are complete and accurate, including where applicable signing his or her time card. Do not report time or turn in a time card if it is not accurate. Unless you are authorized by your supervisor, you should not work any hours that are not authorized. Do not start work early, finish work late, work during a meal break or perform any other extra or overtime work unless you are authorized to do so and that time is recorded on your time card. Employees are prohibited from performing any "off-the-clock" work. "Off-the-clock" work means work you may perform but fail to report on your time card. Any employee who fails to report or inaccurately reports any hours worked will be subject to disciplinary action, up to and including discharge.

It is a violation of the Company's policy and rules for any employee to falsify a time card, or to alter another employee's time card. It is also a serious violation of Company policy for any employee or manager to instruct another employee to incorrectly or falsely report hours worked or alter another employee's time card to under- or over-report hours worked. If any manager or employee instructs you to (1) incorrectly or falsely under- or over-report your hours worked, or (2) alter another employee's time records to inaccurately or falsely report that

employee's hours worked, you should report it immediately to the President (Ext 132) or Vice President (Ext 147).

Exempt Employees

If you are classified as an exempt salaried employee, you will receive a salary which is intended to compensate you for all hours you may work for the Company. This salary will be established at the time of hire or when you become classified as an exempt employee. While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

To Report Concerns or Obtain More Information

If you have questions about deductions from your pay, please immediately contact the manager of Human Resources. If you believe you have been subject to any improper deductions or your pay does not accurately reflect your hours worked, you should immediately report the matter to your supervisor. If your supervisor is unavailable or if you believe it would be inappropriate to contact that person (or if you have not received a prompt and fully acceptable reply), you should immediately contact the President (Ext 112) or any other supervisor in the company with whom you feel comfortable.

Every report will be fully investigated and corrective action will be taken where appropriate, up to and including discharge for any employee(s) who violates this policy. In addition, the Company will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the Company's investigation of such reports. Retaliation is unacceptable, and any form of retaliation in violation of this policy will result in disciplinary action, up to and including discharge.

LOST CHECKS

ATAP, Inc. has instituted a company wide use of the Direct Deposit system to pay employees. However, in some instances, there may be a need to pay an employee for a given week by check. In the event an employee loses his/her check or believes his/her check has been stolen, he/she should inform the company and a replacement check will be issued. The replacement check will be written the following business day after the bank has been notified to stop payment of the lost or stolen check. Any cost associated with these transactions will be deducted from the employee's check.

ABSENTEEISM

An employee's attendance record will cover a twelve (12) month period from the employee's anniversary date of hire to anniversary date, after which his record will be cleared.

- Step 1: Verbal Warning – six (6) absences
- Step 2: First Written Warning – seven (7) absences
- Step 3: Second Written Warning – eight (8) absences
- Step 4: Third Written Warning and a three (3) day lay-off at the Company's discretion – nine (9) absences
- Step 5: **TERMINATION** – ten (10) absences

Employees absent more than five (5) consecutive days must have an approved leave of absence. Employees under a doctor's care, either for illness or occupational injury must keep the Personnel Department informed of their progress by submitting a doctor's report and upon returning to work, must bring a release to return to work from the attending doctor.

All absences will require a "Cause for Absence" form, filled out and signed by the absent employee, and returned to their supervisor.

Approved absence, tardiness, or leaving early will not be included in the preceding. Such approved absences are defined:

- A. Jury Duty
- B. Funeral Leave
- C. Approved Leave
- D. Military Leave
- E. Legal Summons
- F. FMLA (see page 18)

TARDINESS

An employee's tardy/leaving early record will cover a twelve (12) month period from the employee's anniversary date of hire to anniversary date, after which his record will be cleared. The first four (4) tardies of five (5) minutes or less will count as a half tardy.

- Step 1: Verbal Warning – six (6) times
- Step 2: First Written Warning – eight (8) times
- Step 3: Second Written Warning – ten (10) times
- Step 4: Third Written Warning and, at the Company's discretion, a three day Lay-off without pay – eleven (11) times.
- Step 5: **TERMINATION** – twelve (12) times

For disciplinary purposes, absenteeism, tardiness, and/or leaving work early will be combined. For instance – if a person has already received a verbal warning on absenteeism and has been late six (6) times and/or left early, then a written warning will be issued, (the next successive step of discipline). Any combination (written during the 12-month period anniversary date to anniversary date) of four (4) disciplinary actions will result in a three (3) day lay-off. Any combination of five (5) disciplinary actions will result in automatic termination.

CALL – IN PROCEDURES

When you must be away from work, you are required to call ATAP's **MAIN OFFICE** (256-362-2221) yourself, not your spouse, friend, etc., unless you are physically unable. When you call in, **PLEASE** speak **slowly** and **clearly**. If the time you are calling is other than regular office hours (7:30 a.m. to 4:00 p.m., Mon. – Fri.) follow the instructions on the greeting **OR** as soon as you hear the ATAP Welcome Message, **dial “2”**. You will reach the After-hours Employee Reporting Mailbox. After the tone, leave a message. This message is received by the Front Desk, “time stamped” and recorded in the Call-In Log. If for some reason you cannot get through on “2” at the Welcome Message, please press “0” and leave your message on the Operator’s voicemail. Since you must call within 2 hours of the start of your shift, it is important that you call the **MAIN OFFICE**, not your Supervisor, so your call can be properly logged. **AFTER REPORTING to the Main Office**, you may then call your Supervisor, or if the call is during regular office hours, ask to be transferred to your supervisor’s extension.

My Supervisor’s extension is _____.

BULLETIN BOARDS

Bulletin boards have been placed throughout the plant. These are for your information only. Please read them regularly as the information changes often. Any unauthorized material will be removed. Check with your supervisor before you place anything on the bulletin boards.

CLEANLINESS

Employees are required to keep their work environment clean and orderly. Before leaving at the end of their workday, employees should make sure their area is clean, safe, and orderly.

COMPANY VEHICLES

In order to drive a company vehicle, you must be an approved driver and listed on the company insurance. Smoking is not permitted in any company vehicle, and your seat belt must be fastened as in accordance with Federal and State laws.

CELL PHONES

On June 16, 2023 Alabama passed a law prohibiting drivers from using cellular devices without a hands-free setup. Pull into a safe area before talking on a cell phone.

Alabama also currently prohibits the use of cell phones in order to send or receive text messages, emails, etc. ATAP, Inc. policy is for all employees to abide by all applicable laws in the use of cell phones.

Personal cellular phones are not permitted within the Company's production areas. Failure to comply with this requirement will typically result in disciplinary action (see Company Rules - Section Two - Rule 15).

DRUG AND ALCOHOL POLICY

1. Rules
2. Testing
3. Testing Procedure
4. Searches
5. Drug-Free Awareness
6. Discipline
7. Interpretations
8. Confidentiality

ATAP, Inc. is firmly committed to the health and safety of our employees. **ATAP, Inc.** considers the influence of drugs in the work place to be detrimental to our employees and to our continued growth and future success. Employees with drug and alcohol abuse problems make up only a small fraction of the work force, and **ATAP, Inc.** regrets any inconvenience that may be caused to other employees by the problems of a few. To further these objectives, the Company announces the following drug and alcohol policy (Policy):

1. Rules

- A. The distribution, sale, purchase, use, possession, or reporting to work under the influence of intoxicants, non-prescribed narcotics, hallucinogenic drugs, marijuana or other non-prescribed controlled substances while on Company property during work hours is prohibited.
- B. The distribution, sale, purchase, use or possession of equipment, products and materials which are used, intended for use, or designed for use with non-prescribed controlled substances while on Company property or during work hours is prohibited.
- C. Reporting to or being at work with a measurable quantity of intoxicants, non-prescribed narcotics, hallucinogenic drugs, marijuana or other non-prescribed controlled substances in blood or urine is prohibited.

- D. Employees who use alcoholic beverages on the job, or report or return to work under the influence of alcohol will be subject to immediate discharge.
- E. Reporting to or being at work with a measurable quantity of prescribed or over-the-counter narcotics or drugs in blood or urine or use of prescribed or over-the-counter narcotics or drugs where in the opinion of **ATAP, Inc.**, such use prevents the employee from performing the duties of his or her job or poses a risk to the safety of the employee, other persons or property is prohibited. Any employee taking a prescribed or over-the-counter narcotic or drug must advise his or her supervisor of its use. The employee may remain on his or her job or may be required to take a leave of absence or other appropriate action as determined by management.
- F. Adherence to **ATAP, Inc.** policy on drugs and alcohol is a condition of employment for all employees. All employees will be required to sign the acknowledgment form and to consent to this policy.
- G. All employees must notify the Company of any criminal drug statute conviction for a violation arising out of conduct in the workplace or outside the workplace within five (5) days of such conviction.
- H. Managers and Supervisory employees are responsible for enforcing Company policies. The possession, distribution or use of illegal drugs or unauthorized controlled substances whether on or off duty impairs their ability to enforce these policies and may result in disciplinary action up to and including termination.

2. **Drug/Alcohol Testing**

Under the Company Drug & Alcohol Testing Policy, an employee may be requested to undergo a urinalysis, blood test, alcohol breath test or other diagnostic test. **ATAP, Inc.** reserves the right to test on the following occasions:

- A. As a condition of the employment application.
- B. After the occurrence of any work-related injury while on Company property or during work hours.
- C. When there is reason to believe in the opinion of the Company that an employee has reported to work or is on Company property with a measurable quantity of intoxicants, drugs or narcotics in blood or urine.
- D. On a random basis.
- E. As part of any periodic medical examination provided or required by **ATAP, Inc. or D.O.T.**
- F. Adulterated or diluted specimens will be treated as a positive test result.

3. Testing Procedure

All testing will be performed by a laboratory which has been certified by the National Institute on Drug Abuse as qualified to perform drug testing under federal workplace testing programs. Testing procedures may include a screen for the following drugs: amphetamines, cannabinoids, cocaine, opiates, phencyclidine and alcohol. All positive test results will be subject to confirmation testing and verification by a qualified Medical Review Officer.

4. Searches

When there is a reason to believe in the opinion of **ATAP, Inc.** that an employee is under the influence of intoxicants, drugs or narcotics, or is in possession of any intoxicants, drugs, narcotics or equipment, products or materials which are used, intended for use or designated for use with non-prescribed controlled substances, **ATAP, Inc.** may request that the employee submit to a search by Company representatives of his/her person and/or property (including offices, lockers, desks, cabinets, closets and toolboxes, etc...). When there is suspicion that an employee has possession of an illegal substance, ATAP will have the right to search the employee's vehicle.

5. Drug-Free Awareness Education Program

ATAP, Inc. will provide information to inform employees about the dangers of drug and alcohol abuse, the indicators of drug and alcohol abuse, the Company's Policy of maintaining a drug-free workplace, the availability of community drug counseling and rehabilitation resources, and the penalties that may be imposed for violation of the Policy.

Listed below are two examples of centers that can offer substance abuse rehabilitation:

Bradford Health Services
300 Century Park S #100
Birmingham, AL 35226
(205) 547-2727

Cheaha Regional Mental Health Center
1721 Old Birmingham Hwy
Sylacauga, AL 35150
(256) 249-2395
(256) 245-9548 FAX

Supervisory personnel will receive periodic training on the conduct, behavior and indicators of drug and alcohol abuse.

6. Discipline

An employee who refuses to submit immediately upon request to a search of his or her person or property or to a blood test, urinalysis, breathalyzer test or other diagnostic test, or who otherwise is in violation of this policy is subject to disciplinary action up to and including immediate termination. An employee who refuses to submit to or cooperate with a blood or urine test after an accident forfeits his/her right to recover Worker's Compensation benefits under Alabama Code 25-5-51 and is subject to disciplinary action up to and including termination.

7. Interpretations

The Company property covered by this Policy includes property of any nature owned, controlled or used by **ATAP, Inc.** including parking lots, offices, desks, lockers and vehicles.

8. Confidentiality

Alcohol and drug testing information, including tests results, received by ATAP, Inc. is considered confidential information and will be released only by written consent of the employee with the exception of release to governmental agencies with regulatory authority over **ATAP, Inc.**

Nothing in the Policy alters the fact that employees are employed for an indefinite period and that either the employee or **ATAP, Inc.** may terminate such employment with or without cause at any time for any reason. Neither this Policy (nor any related policies, practices or guidelines) are employment contracts or parts of any employment contract. Due to the nature of Company's operations and the possible need to accommodate individual situations, the provisions of this Policy or of any related policies, practices or guidelines may not apply to every employee in every situation. **ATAP, Inc.** reserves the right to rescind, modify or deviate from this or any other policy, practice or guideline as it considers necessary in its sole discretion, in either individual or Company-wide situations with or without notice.

1. ATAP, Inc. requires all probationary employees to submit to a drug test. If the employee tests positive, he/she is terminated.
2. If an on the job accident occurs and an emergency room or doctor's office is required, the employee must submit to a drug test.

GIFTS

ATAP, Inc. employees are personally prohibited from accepting any form of gifts from vendors. However, gifts may be accepted and used as door prizes at company functions (i.e. Christmas Party). The gift donor will be recognized at this special time.

GRIEVANCE PROCEDURE

Section 1. Employee's grievances as to the interpretation, or application of company policies or this handbook, or with respect to rates of pay, wages, and hours of employment, shall be presented for settlement in the following manner:

- (a) The employee involved shall attempt settlement of the grievance with the manager of their department.
- (b) If not disposed of prior to the end of the shift during which the grievance is presented to the foreman and within seventy-four (74) hours after the incident made the basis of the grievance, the grievance shall be reduced to writing by the employee, signed by the employee or employees concerned, and then submitted to the plant superintendent.
- (c) If not disposed of within five (5) working days by the foregoing, it shall then be negotiated between the employee(s) concerned and the management of the Company. Any decisions reached shall be final and binding on both parties.

Section 2. No grievance shall be presented more than three (3) working days after the aggrieved employee has knowledge of such grievance, nor appealed more than three (3) working days after it has been answered by the Company at any step in the grievance procedure. The failure of the parties to dispose of any grievance within the time allotted for steps one and two of the grievance procedure shall constitute the answer of the Company denying the grievance. No grievance shall be appealed at any step after a settlement with the Employee and Company has been reached.

WORKPLACE HARASSMENT

ATAP, Inc. policy is to provide a work environment that is free from harassment. Therefore ATAP, Inc. will not tolerate harassment based on age, race, gender, color, religion, national origin, disability, marital status, covered veteran status, sexual orientation, status with respect to public assistance, and other characteristics protected under state, federal, or local law. Such conduct is prohibited in any form at the workplace, at work-related functions, or outside of work if it affects the workplace. This policy applies to all ATAP, Inc. employees, clients, customers, guests, vendors, and persons doing business with .

Sexual harassment is a form of sex discrimination that violates Title VII of the Civil Rights Act of 1964. Title VII applies to employers with 15 or more employees, including state and local governments. It also applies to employment agencies and to labor organizations, as well as to the federal government.

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when this conduct explicitly or implicitly

affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment.

Examples of conduct prohibited by this policy include, but are not limited to:

- The victim as well as the harasser may be a woman or a man. The victim does not have to be of the opposite sex.
- The harasser can be the victim's supervisor, an agent of the employer, a supervisor in another area, a co-worker, or a non-employee.
- The victim does not have to be the person harassed but could be anyone affected by the offensive conduct.
- Unlawful sexual harassment may occur without economic injury to or discharge of the victim.
- The harasser's conduct must be unwelcome.

If you believe that you are being subjected to workplace harassment, you should:

1. Tell the harasser that his or her actions are not welcome and they must stop, if you feel comfortable enough to do so.
2. Report the incident immediately to your supervisor/manager, the site Human Resources representative, or other management.
3. Report any additional incidents or retaliation that may occur to one of the above resources.

Any reported incident will be investigated immediately and thoroughly. Complaints and actions taken to resolve complaints will be handled as confidentially as possible, given ATAP, Inc.'s obligation to investigate and act upon reports of such harassment. Appropriate actions will be taken by ATAP, Inc. to stop and remedy any and all such conduct, including interim measures during a period of investigation.

Retaliation of any kind or discriminating against an employee who reports a suspected incident of harassment or who cooperates in an investigation is prohibited. An employee who violates this policy or retaliates against an employee in any way will be subject to disciplinary action up to and including immediate termination.

VIOLENCE-FREE WORKPLACE

It is ATAP Inc. policy to provide a workplace that is safe and free from all threatening and intimidating conduct. Therefore, ATAP will not tolerate violence or threats of violence of

any form in the workplace, at work-related functions, or outside of work if it affects the workplace. This policy applies to employees, clients, customers, guests, vendors, and persons doing business with ATAP, Inc.

It will be a violation of this policy for any individual to engage in any conduct, verbal or physical, which intimidates, endangers, or creates the perception of intent to harm persons or property. Examples include but are not limited to:

- Physical assaults or threats of physical assault, whether made in person or by other means (i.e., in writing, by phone, fax, or e-mail).
- Verbal conduct that is intimidating and has the purpose or effect of threatening the health or safety of a co-worker.
- Possession of firearms or any other lethal weapon on Company property excepting only the employee's privately owned motor vehicle while parked or operated in a public or private parking area and in accordance with Alabama State Law (see Code of Alabama Section 13A-11-90).
- Any other conduct or acts which management believes represents an imminent or potential danger to work place safety/security.

Anyone with questions or complaints about workplace behaviors which fall under this policy may discuss them with a supervisor or a management representative. ATAP, Inc. will promptly and thoroughly investigate any reported occurrences or threats of violence. Violations of this policy will result in disciplinary action, up to and including immediate termination of employees. Where such actions involve non-employees, ATAP, Inc. will take action appropriate for the circumstances. Where appropriate and/or necessary, ATAP, Inc. will also take whatever legal actions are available and necessary to stop the conduct and protect employees and property.

JURY DUTY

When an employee is subpoenaed for jury duty in any state or federal court on a regularly scheduled workday, he will be paid his regular pay while serving on a jury. The employee should immediately notify his/her supervisor after receiving a subpoena.

LEAVE OF ABSENCE

A leave of absence will be granted in case of illness, compelling personal reasons, maternity, or military and will be subject to the following conditions:

(a) **Illness** – Leave of absence for illness must be applied for in writing and accompanied by a doctor's statement. When returning from such leave, an employee must present a doctor's statement of physical fitness prior to reinstatement; the Company may require

an examination by its physician, if it deems such action necessary. A leave of absence for illness will be such time as is necessary for recovery, but in no case for a period longer than nine (9) months. After nine (9) months the employee is terminated.

(b) **Compelling Personal Reasons** – Leave of absence for compelling personal reasons may be granted upon request of an employee, at the discretion of the Company, for such reasonable time as the circumstances may justify.

(c) **Maternity** – ATAP, Inc. celebrates new life along with the employees. The Company's main concern is for the health and safety of both mother and unborn child. For this reason we provide the benefit of a Maternity Leave of Absence. The employee may continue to work as long as the employee can continue to perform their assigned job function. Maternity leave of absence must be applied for in writing and accompanied by a doctor's statement. Maternity leave may begin at any month of pregnancy. Maternity leave of absence shall not exceed six (6) months, unless recommended by her physician in writing, in which case, it may be extended for not more than three (3) additional months.

(d) **Military** – Military leave for military or reserve duty will be granted to full-time employees. If you are called to active military duty or to reserve or National Guard training, or if you volunteer for the same, you should submit copies of your military orders to your supervisor as soon as practicable. You will be granted a military leave of absence without pay for the period of military service, in accordance with federal and state laws.

(e) Employees who are granted leave of absence shall be re-employed by the Company at the end of such leave if work is available in accordance with his or her accumulated seniority and, in any event, shall be re-employed as soon as work is available in accordance with such employee's seniority status.

(f) Any employee who, while on leave of absence, seeks or accepts gainful employment elsewhere, or who fails to return from a leave of absence within the prescribed length of time, shall be considered as having voluntarily terminated his/her employment with the Company.

(g) An employee, under all leaves of absence, must use all vacation to which he or she is entitled. Vacation must run concurrent with the leave of absence.

(h) The Family & Medical Leave Act of 1993 governs certain employee leave of absence. Below is the required Employee notice per the Department of Labor which was current as of the printing date of this Handbook.

THE FAMILY & MEDICAL LEAVE ACT NOTICE

The Family and Medical Leave Act (FMLA) is a federal law that provides eligible employees with **job-protected leave** for qualifying family and medical reasons. The U.S. Department of Labor's Wage and Hour Division (WHD) enforces the FMLA for most employees.

Eligible employees can **take up to 12 workweeks** of FMLA leave in a 12-month period for:

- The birth, adoption or foster placement of a child with you,
- Your serious mental or physical health condition that makes you unable to work,
- To care for your spouse, child or parent with a serious mental or physical health condition, and
- Certain qualifying reasons related to the foreign deployment of your spouse, child or parent who is a military servicemember.

An eligible employee who is the spouse, child, parent or next of kin of a covered servicemember with a serious injury or illness **may take up to 26 workweeks** of FMLA leave in a single 12-month period to care for the servicemember.

You have the right to use FMLA leave in **one block of time**. When it is medically necessary or otherwise permitted, you may take FMLA leave **intermittently in separate blocks of time, or on a reduced schedule** by working less hours each day or week.

FMLA leave is **not paid leave**, but you will be required by ATAP, to use any accrued vacation leave concurrently with FMLA leave.

You are an **eligible employee** if **both** of the following apply:

- You have worked for ATAP at least 12 months,
- You have at least 1,250 hours of service for ATAP during the 12 months before your leave

To request FMLA leave you must:

- Follow ATAP's normal policies for requesting leave,
- Give notice at least 30 days before your need for FMLA leave, or
- If advance notice is not possible, give notice as soon as possible.

You **do not have to share a medical diagnosis** but must provide enough information ATAP that we can determine whether the leave qualifies for FMLA protection. You **must also inform ATAP if FMLA leave was previously taken** or approved for the same reason when requesting additional leave.

ATAP may request certification from a health care provider to verify medical leave and may request certification of a qualifying exigency.

The FMLA does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining agreement that provides greater family or medical leave rights.

Call **1-866-487-9243** or visit **dol.gov/fmla** to learn more.

If you believe your rights under the FMLA have been violated, you may file a complaint with the United States Department of Labor Wage and Hour Division or file a private lawsuit against your employer in court.

OUTSIDE EMPLOYMENT

Employees are expected to be the sole employees of ATAP, Inc. ATAP employees shall not be employed by another person or company that is in the same or similar business as ATAP, Inc. Any additional employment should be approved by management to determine any conflict of interest prior to beginning outside employment. Since ATAP, Inc. is a Department of Defense Contractor, certain other restrictions may apply.

PARKING

Designated parking is located on Company property. The Company is not responsible for theft or damage to your car. You are urged to lock your car and to drive with caution. When you are entering or leaving the parking lot proceed slowly. Please park properly!

PERSONAL VEHICLES IN COMPANY PARKING AREA

Personal Vehicles should not be left in the company parking area after hours without permission. Security locks the parking lots soon after 4:30 p.m. Therefore, you may find your vehicle locked up for the night. If you need to leave a vehicle locked in the parking lot after 4:30 p.m., you must move it to the old parking area either near Shipping and Receiving or in front of Building 2.

PERSONAL TELEPHONE CALLS

Personal telephone calls are not allowed except in an emergency. A record of personal telephone calls is logged in the main office. In the event of excessive emergency calls, an employee will be asked to meet with management and justify the excessive emergency telephone calls.

PERSONAL USE OF PLANT EQUIPMENT & FACILITIES

No one other than authorized personnel will be allowed inside any of the plant buildings after working hours. Any employee wishing to remove personal tools or equipment must do so during working hours, or be accompanied by his/her supervisor after working hours. No company equipment or buildings shall be utilized for personal use.

SAFETY AND HEALTH

ATAP INC. **FIRST AID PROCEDURES**

1. In case of an injury or illness, notify your supervisor; if your supervisor is not available notify the nearest member of management.
2. The supervisor will then contact the personnel responsible for first aid.
3. The personnel administering the first aid will contact the front office as soon as possible.
4. The front office or the first aid personnel will make the doctor's appointments and call 911 (if necessary).
5. If you cannot reach any member of management, or the first aid personnel, or another employee that can reach them. Call 911, then administer first aid.
6. Follow these instructions if you are taken to the Emergency Room during non-office hours of our company Doctors. Upon arrival to emergency room you are to ask for our company doctor to handle your case. After the staff has called our doctor that is on call, if they cannot come and handle the case, then the E.R. will perform whatever is necessary to treat the patient.

ATAP, Inc. is committed to providing a safe and healthy work environment. Every effort is made to comply with federal and state health and safety laws. With your help, we will diligently work to maintain safe and healthy work conditions. You are required to follow proper operating practices and procedures designed to prevent injuries and illnesses.

Your responsibilities include:

- Use good judgment at all times to prevent accidents and injuries.
- Report to your supervisor and seek first aid for all injuries, REGARDLESS of how minor.
- Report unsafe conditions, equipment, or practices to a supervisor.
- Use safety protective equipment provided by ATAP, Inc. at all times.
- Observe safety rules & regulations at all times, some of which are listed below:
 1. In case of serious injury, notify first aid personnel, or a member of management immediately.
 2. Running in the plant or on Company property is not permitted.

3. Removal of any safety guard, device or equipment, or rendering such equipment ineffective is prohibited unless authorized by management.
4. Horseplay, scuffling, pushing, or throwing things on Company premises is prohibited.
5. Safety equipment deemed necessary by the Company for protection of employees must be used as directed.
6. Use of fire extinguishers for purposes other than to put out fires is prohibited. Unauthorized removal of fire extinguishers from designated areas is prohibited.
7. Straight ladders, when in use, must be tied at the top in a secure manner. When being tied or untied an employee must hold the ladder at the bottom.
8. Riders are not permitted on power-lift trucks, tow motors, or freight hoists.
9. Lockout-tagout power before oiling, repairing or cleaning machinery. Make certain all moving parts are stopped and safety blocks are installed before beginning work on equipment.
10. Report any dangerous machines, equipment, or conditions to your Supervisor at once.
11. Operate only machinery or equipment you have been told by management you are authorized to use, (mobile equipment, welding equipment, etc.)
12. Drinking and eating is not allowed on job during work time. All lunch papers, food scraps, and paper cups must be placed in waste containers provided for this purpose.
13. Observe all caution signs and traffic regulations.
14. Safe clothing must be worn in the plant at all times. Clothing, jewelry, etc. which could cause a safety hazard should not be worn. Trousers and/or slacks must be full length. Shirts and/or blouses will be buttoned/closed, to prevent tangling/snagging on machinery, etc. and the body fully clothed.
15. No mobile equipment will be left running unattended.
16. All walkways will be kept clean and clear.
17. Electrical boxes will remain closed, except when switches are being turned on or off. During service to electrical equipment the power source to the unit must be lockout-tagout, with the key in the possession of the person doing the work.

18. Observe the “NO SMOKING” areas: Smoking and smokeless tobacco products are permitted only in posted designated areas. Smoking and use of smokeless tobacco products will only be permitted at designated times.
 1. Prior to work
 2. 10 minute breaks
 3. Lunch break
 19. During grinding operations, safety glasses and face shield must be worn.
 20. Unless authorized by a Supervisor, tampering with light or heater switches is prohibited.
 21. All employees involved in manufacturing or handling supplies will be required to wear shoes, which are classified as work shoes by normal industry standards. Examples of acceptable and non-acceptable shoes will be posted on the active bulletin board.
 22. Only licensed personnel will operate forklift/material-handling equipment and fill LP tanks.
 23. Only authorized air blowers will be used. Safety glasses shall be used when operating this equipment.
 24. Only authorized and trained personnel shall enter confined spaces and must follow established procedures.
- Notify your supervisor if you are taking any medication or have a medical condition that could cause drowsiness or other side effects that could lead to injury to yourself or co-workers.
- Employees should review safety notices posted on company bulletin boards for updates and changes.

SENIORITY

- Section 1.** Seniority is defined as length of continuous service since the last date of hire.
- Section 2.** The Company agrees to give consideration to seniority. In the event of an increase or decrease in number of full-time employees, or in promotions or demotions where skill, efficiency and physical ability to do the work are relatively equal, seniority will be considered.
- Section 3.** Both continuous service and seniority shall terminate upon:
- (a) Voluntary quitting

- (b) Discharge for cause. (This includes the receipt of a third reprimand within a twelve month period).
- (c) Failure to report to work after a lay off within three (3) days after being notified by certified mail (at the last recorded address in employee's Personnel Folder) to report. It will be the responsibility of the employee to keep the Company (Personnel Clerk) informed at all times of his or her latest address. The Company will not be responsible for employee receiving the notice if employee's address has been changed and the Company has not been notified.
- (d) If employee has been laid off for a period of more than nine (9) months.
- (e) If employee has been off work due to illness or accident for a period of more than nine (9) months.
- (f) Failure to notify the Company by certified mail every ninety (90) days as specified in Section 4.

Section 4. The consideration of seniority in re-employment in his department and classification shall be accorded to a laid-off employee prior to new employees being hired provided the following:

- (a) Every ninety (90) days the employee notifies the Company by certified mail of his desire to return to work and of his current address.
- (b) Employee responds to a recall to work in accordance with the provisions of Section 3 (c) above.

Section 5. Any probationary employee shall not have seniority consideration during the first ninety (90) calendar days of probationary employment and may be laid off or discharged without reference to length of service and without notice; but if such probationary employee is retained beyond ninety (90) calendar days, such employee's seniority shall date from the date of employment. Employees in their probationary period shall not qualify for holiday pay for any holidays or any other fringe benefits. Temporary employees are those individuals hired for a definite limited period of time. Part-time employees are those individuals working less than thirty (30) hours per week. Temporary and part-time employees shall not have seniority and may be laid-off or discharged without notice. Temporary and part-time employees shall not qualify for holiday pay for any holidays or other fringe benefits.

Section 6. (Bidding Procedure) When a full-time job is established or an established full-time job becomes vacant, and the Company determines that the job is required, the Company agrees to post the job for bidding on the bulletin board for three (3)

consecutive working days. Employees (plant wide) may bid for the job by signing a form for such purpose. The qualified bidders in the department of the opening shall be deemed to have seniority over the bidders of an outside department. In case of lay-off or reduction of workforce, a qualified employee may exercise his seniority in any department in the plant, subject to the provisions of Section 2 of "Seniority", provided the employee notifies the Company of his election to such plant wide seniority at the time of the lay-off.

Section 7. Seniority by department and classification shall be considered in matters concerning promotions, overtime, rehiring, vacations and preferences as to available full-time work subject to the provisions of Section 2 of this Article.

No employee may apply for a lower rated job than his present job classification except where the Company agrees.

Section 8. Temporary transfers

- (a) The Company has the right to make temporary transfers to take care of any emergency that may arise. In all cases, employees will retain seniority to their regular jobs.
- (b) Employees may be moved temporarily from their regular jobs to lower rated jobs for Company convenience, but will receive an allowance to assure their earning rate of their regular job. Employees may be moved temporarily from their regular jobs to higher rated jobs, but in such cases, will receive the higher rate only if the employee's skill, efficiency and other necessary qualifications meet the normal requirements of the job.

SMOKING AND SMOKELESS TOBACCO PRODUCTS

Smoking and smokeless tobacco products are permitted during break and lunchtime only and may only be used in designated areas. Employees must properly dispose of waste from both products.

SOLICITATIONS AND DISTRIBUTION OF LITERATURE

In the interest of maintaining a proper business environment and preventing interference with work and inconvenience to others, employees may not distribute literature or printed material of any kind, sell merchandise, or solicit for any other cause during work time. Permission must be obtained from management before the sale of any merchandise or solicitation on Company property can take place. You must sell during plant wide breaks and lunch only.

TERMINATION OF EMPLOYMENT

An employee who wishes to terminate employment with ATAP, Inc. is requested to notify the Company at least two (2) weeks in advance of termination date. The notice should be in writing to the employee's supervisor. Proper notice allows the Company time to prepare the last check and take care of other administrative and insurance requirements.

Employees who plan to retire are requested to provide ATAP, Inc. with a minimum of two (2) months notice to allow the Company time to take care of administrative requirements.

All employment relationships with ATAP, Inc. are on an at-will basis. Although we hope that our relationship with employees are long term and mutually rewarding, ATAP, Inc. reserves the right to terminate the employment relationship at any time. If you are terminated you may be considered for re-employment after ninety (90) days.

TOOL REQUIREMENT

As a requirement of employment with ATAP, Inc. employees are responsible for furnishing and maintaining certain tools, which are listed on a tool requirement list. Supervisors will make periodic tool checks to assure these requirements are met.

When the check is made, if the employee does not have all the necessary tools, according to his classification or does not furnish his Supervisor with reasonable evidence he is attempting to acquire the tool(s), he will not be allowed to return to work until the necessary tool(s) is presented to his supervisor. All absences due to a tool check will be unexcused and disciplinary action will be as described in the attendance section.

VISITATION ON THE JOB

No one shall be allowed to visit without permission from the Main Office. All visitors must report to the Main Office. The receptionist will call and check the availability of the person to be visited. All authorized visitors are required to wear a visitor badge.

COMPANY RULES

SECTION ONE

IMMEDIATE TERMINATION VIOLATIONS

Violation of any of the following rules will be cause for immediate termination without warning.

1. Insubordination, refusal to obey orders of Supervisor, or refusal to perform job assignment.
2. Loitering or wasting time on any part of the Company premises during working hours, or deliberately restricting production or inciting others to do so.
3. Leaving prior to the end of a scheduled shift without written permission from Supervisor.
4. Dishonesty including misstatements of fact in job applications and Company forms, unauthorized alterations of time cards, job tickets, work orders, or other records.
5. **Unexcused or unreported absences for a period of three (3) consecutive work days.**
6. Absence from work due to imposed sentences for felony.
7. Theft of property belonging to the Company, the United States Government, or other employees.
8. Willful abuse or deliberate damage to any Government property on Company premises, Company property, customer property, vendor property, or the property of other employees.
9. Unauthorized performance of non-company work on Company property during, before, or after working hours.
10. Interference with Plant Security Officers in the performance of their duties.
11. Fighting on Company premises.
12. The use of, possession of, or being under the influence of non-prescribed narcotics, hallucinogenic drugs, marijuana, other non-prescribed controlled substances.
13. Sleeping on the job.
14. Possession of firearms, except in private vehicles within the employee parking lot.
15. Immoral conduct.

16. Threatening, intimidating, coercing, or otherwise interfering with other employees on Company premises at any time, including lunch and break times.
17. Making false, vicious or malicious statements concerning any employee, the Company, or its products.
18. Subversive activity, advocating and/or affiliating with any organization or group, which stands for or defends the overthrow of our form of Government by force.
19. Knowingly punching time card of another employee.
20. Defacing Company property.
21. Making false or unfounded claims of occupational injury, illness, or disability, which do not arise out of and as a result of employment with the Company.
22. Failure to follow company drug policy. Refusing to submit to a drug test. (This would include leaving Company premises after being informed of the testing.)
23. Discrimination acts – Sexual or racial.
24. Igniting any materials or smoking in hazardous areas, near flammable chemical storage tanks, in chemical storage areas, in paint booths, near Refuelers or Hydrant Trucks, or in other designated flammable areas.

SECTION TWO DISCIPLINARY ACTION VIOLATIONS

Violation of any of the following rules will result in the following disciplinary action during a twelve (12) month period. The twelve (12) month period is defined as the 12 months prior to and including the date of the current offense.

First Offense.....	Verbal Warning
Second Offense.....	Written Reprimand
Third Offense.....	Three-Day Lay-off Without Pay
Fourth Offense.....	Termination

1. Substandard performance on any operation or job in either quality or quantity.
2. Concealing or failure to report an error or mistake.
3. Use of profane, obscene, vile, or abusive language to or in the presence of another employee(s).

4. Carelessness resulting in delay to work in progress, damage/destruction to materials, tools, equipment, company property, or the property of customers, vendors, or other employees.
5. Unauthorized operation, repair of, or attempt to repair Company machines, tools, or equipment.
6. Creating or contributing to unsanitary conditions.
7. Posting or removing notices, etc. from bulletin boards without permission of a Supervisor.
8. Gambling or running a game of chance on Company property.
9. Failure to enter and exit at the beginning and ending of the work shift at the designated areas.
10. Failure to comply with normal rules of courtesy within the designated parking area. Failure to park within the designated parking area.
11. Failure to have toolboxes or other items checked and tagged by a Supervisor prior to leaving Company property.
12. Failure to leave Company premises after clocking out. Failure to return on schedule, unless Supervisor has been notified in advance.
13. Employees may not make telephone calls, except in cases of emergency and not without the authorization of a Supervisor. Employees will only be called to the phone in cases of sickness, death, or other emergencies.
14. Failure to observe **safety rules** or common **safety practices** not listed in Section One – Immediate Termination Violations.
15. Possession or use of non-approved/non-company cellular phones.

TO ENTER AND EXIT BUILDINGS

According to Section Two, Rule 9 of the Employee Handbook employees have designated areas to enter and exit building. Below you will find instructions for your work area:

MAIN BUILDING

- (1) Custodial, Engineering, Main Office, Packaging, Sales Department, Shipping & Receiving and Warehouse - YOU MUST CLOCK IN AND OUT AND EXIT THROUGH EXTERIOR DOOR NEAR PURCHASING DEPARTMENT.**
- (2) Production, Maintenance, and Quality Assurance – YOU MUST CLOCK IN AND OUT AND EXIT THROUGH EXTERIOR DOOR NEAR SUPERVISOR’S OFFICE.**

BUILDING 1

Production, Quality Assurance, Sand Blast and Steam Clean
YOU MUST CLOCK IN AND OUT AND EXIT THROUGH FRONT PERSONNEL DOOR OF BUILDING 1.

BUILDINGS 2, 3 AND 5 (PAINT SHOP)

Custodial, Production and Quality Assurance – **YOU MUST CLOCK IN AND OUT IN BUILDING 2/3 BREEZEWAY AND EXIT THROUGH THE FRONT PERSONNEL DOOR OF BUILDING 3.**

BUILDING 7

Production and Quality Assurance – **YOU MUST CLOCK IN AND OUT AND ENTER OR EXIT THROUGH FRONT DOOR OF BUILDING 7, ENTER REAR PERSONNEL DOOR OF BUILDING 3, AND EXIT FRONT PERSONNEL DOOR OF BUILDING 3.**

EMPLOYEE BENEFIT PROGRAMS

ATAP, Inc. has established a variety of employee benefit programs designed to assist you and your eligible dependents in meeting the financial burdens that can result from illness, disability, and death. This section of the handbook highlights some features of our benefits program. Our group health insurance, life insurance, short term and long term disability insurance, and retirement related programs (401K and ESOP) are described more fully in the summary plan description booklets, which you are provided once you are eligible to participate in these programs. Complete descriptions of our group health insurance programs are also in ATAP, Inc. master insurance contracts with insurance carriers, which are maintained in the main

office. Complete descriptions of our retirement related programs are in the appropriate master plan documents, which are likewise maintained at the main office. If information in this handbook and our summary plan description contradict information in these master contracts or master plan documents, the master contracts/documents shall govern in all cases.

ATAP, Inc. reserves the right to amend or terminate any of these programs or to require or increase employee premium contributions toward any benefits with or without advance notice at its discretion (except as set forth in applicable Federal and State laws). This reserved right may be exercised in the absence of financial necessity.

FREE DAYS

- Section 1.** Each employee will be given three (3) days off with pay each calendar year. These days will be call “Free Days”. The employee has up to two hours after the beginning of a scheduled shift to declare the day as his/her Free Day. Once the declaration has been made it may not be rescinded. Pay for this day will equal eight (8) times the employee’s regular hourly rate, and will not be paid at an overtime rate. However, a Free Day taken during the week will count eight (8) hours of the forty (40) hours of straight time necessary for overtime rates to begin.
- Section 2.** No more than one (2) Free Days may be taken during the first four (4) months of the year.
- Section 3.** An employee that becomes full time after August 31st will only be eligible for one (1) Free Day in that calendar year.
- Section 4.** An employee may take one-half of a Free Day for the purpose of going to the doctor or carrying a family member to the doctor. Proof of the doctor visit must be given to the Personnel Department for the half day to be validated. To use one-half of a Free Day, the employee is expected to work the other half of the day.

FUNERAL ALLOWANCE

- Section 1.** In case of death in the immediate family (spouse, children, step children, grandchildren, mother, father, step mother, step father, spouse’s mother, spouse’s father, spouse’s step mother or spouse’s step father) employee will be allowed up to three (3) scheduled work days off with pay beginning with the day of the death and ending the day after the funeral.

In case of death in the family (brother, sister, step brother, step sister, half-brother, half-sister, grandparents, spouse’s brother, sister, step brother, step sister, half-brother, half-sister, or grandparents) employee will be allowed up to three (3) scheduled work days off with pay beginning with the day before the funeral and ending the day after the funeral.

- Section 2.** To receive funeral allowance pay, employee must furnish the Company a copy of the obituary notice from the newspaper or a certificate from the funeral director, to establish the name and relationship of the deceased, and the date of the funeral.
- Section 3.** This provision shall not be applicable if an employee is on leave of absence, absence due to illness or injury, on layoff or paid holiday.
- Section 4.** In the case the Company grants an employee additional unpaid time off (other than that given under the sections above) due to a death, the time off shall not be counted against the employee's attendance record.

HOLIDAYS

- Section 1.** Each full time employee shall receive eight (8) paid holidays per year for which the employee shall receive eight (8) hours pay at his/her regular straight time hourly rate.
- Section 2.** The paid holidays shall be New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving, Day before Christmas, and Christmas Day, or in the event any said days fall on Saturday, the paid holiday is declared to be the preceding Friday; and in the event any of the said days fall on Sunday, the paid holiday is declared to be the following Monday. In the event that Christmas Eve or Christmas falls on a Saturday or Sunday, the company will notify the employees of the day that will be declared a holiday. The declared day or days shall be one of the following: Thursday, Friday, Monday, or Tuesday. In the event the Company is on a four (4) ten (10) hour work day work week, the holidays that fall on a scheduled work day will be paid at a rate of eight (8) hours times the straight hourly rate. If the holiday falls on a day or days that are not scheduled work days (one of the four (4) ten (10) hour days), the employee will receive eight (8) hours times his straight hourly rate for each holiday in addition to his regular pay for that week.
- Section 3.** In the event the employer schedules work on a paid holiday as hereinabove defined, an employee accepting the employer's offer of work on that day shall be paid, in addition to the pay hereinabove set forth as holiday pay.
- Section 4.** Employees who are serving their probationary period are not eligible for holiday pay.
- Section 5.** Employees who are on a leave of absence as described earlier in this handbook are not eligible for holiday pay for holidays that occur during that leave of absence.

INSURANCE BENEFITS

ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

All full-time employees are provided accidental death and dismemberment insurance. The cost is paid in full by the Company and is effective when you become full-time. A booklet explaining this benefit in more detail is provided when an employee becomes full-time.

HEALTH INSURANCE

ATAP, Inc. is proud to offer our employees excellent health insurance. All full-time employees and their eligible dependents may be covered. A booklet containing complete health coverage benefits will be provided to you at the time your coverage is effective.

If you have dependent coverage, you must notify ATAP, Inc. within sixty (60) days of a divorce or other event that makes a dependent no longer eligible for coverage. If you fail to do so, COBRA coverage will not be offered to the former dependent.

COBRA

Federal law has been enacted which allows certain individuals the option of continuing their health insurance under specified conditions. ATAP is responsible for notifying all its employees and their dependents of their rights under COBRA, when regular coverage is terminated.

Coverage will always be effective the day of termination and the employee is responsible for premiums incurred past this date. The employee has sixty (60) days to elect COBRA from the date he or she loses group health coverage or the date of the COBRA notice; whichever is the latter of the two. If the member does not elect continuation within the sixty (60) day election period, the member will no longer be eligible for COBRA benefits. The member has forty-five (45) days from the day of election to make the first premium payment and to pay any other premiums that may be due. More detailed information on COBRA is contained in the health insurance booklet.

SHORT TERM DISABILITY INSURANCE

All full-time employees are provided short-term disability insurance. The cost is paid in full by the Company and is effective whenever you become full-time. A booklet explaining this benefit in more detail is provided when an employee becomes full-time.

LONG TERM DISABILITY INSURANCE

All full-time employees are provided long-term disability insurance. The cost is paid in full by the Company and is effective whenever you become full-time. A booklet explaining this benefit in more detail is provided when an employee becomes full-time.

TERM LIFE INSURANCE

All full-time employees are provided life insurance. The cost is paid in full by the Company and is effective whenever you become full-time. A booklet explaining this benefit in more detail is provided when an employee becomes full-time.

WORKER'S COMPENSATION INSURANCE

To provide for payment of your medical expenses, for partial salary continuation and compensation in the event of a work-related accident or illness, you are covered by Worker's Compensation insurance. The amount of benefits payable and the duration of payment depend on the nature of your injury or illness and your average weekly earnings subject to minimum and maximum rates. In general, however, reasonable medical expenses for reasonable necessary medical treatment by an authorized physician incurred in connection with an injury or illness are paid in full, and partial salary payments are provided beginning with the fourth consecutive day of your absence from work.

If you are injured on the job, you must immediately report such injury to your supervisor. This insures that ATAP, Inc. can assist you in obtaining appropriate medical treatment. Your failure to follow this procedure may result in the appropriate Worker's Compensation report not being filed in accordance with the law, which may jeopardize your right to benefits in connection with your injury. Following an accident, if you refuse to submit to or cooperate with a drug or alcohol test, knowingly alter or adulterate the specimen used for such test or test positive (after confirmatory retesting), you forfeit any rights to Worker's Compensation benefits under Alabama Code 25-5-51.

RETIREMENT PLANS (ESOP & 401K PLAN)

ATAP, Inc. has established a 401K Retirement Plan that is available to all full-time employees upon attaining age 18 and completing three (3) months of employment. The purpose of the plan is to encourage eligible employees to save on pre-tax bases and build a financial reserve for retirement.

The value of each employee's account at retirement depends on a number of factors, such as how long an employee has been a member of the plan, how much the employee has contributed, and investment gains.

Once you are eligible to participate in the plan, you receive a summary plan booklet describing the plan in detail. Question concerning the plan should be directed to the plan trustees.

ATAP, Inc. is an ESOP (Employee Stock Ownership Plan) Trust owned company. This Plan provides an opportunity to receive stock in the Company at no cost to you, the employee. If you choose to participate in the Plan, you will receive a statement each year showing your stock distribution and the value at that time. Once you are eligible to participate in the plan, you will receive a summary plan booklet describing the plan in detail. Questions concerning this plan should be directed to the Plan Trustee or the Fiduciary Committee which members are defined in the Front Office.

UNIFORMS

Uniforms are available to all employees who wish to have them. If you subscribe to the uniform service and later decide you want to discontinue, the following rules apply:

1. Count the uniforms you are turning in.
2. Ask your supervisor to recount and confirm the count.
3. Fill out discontinue form with your supervisor.
4. Notify payroll.

Upon termination of employment, final paycheck will be held until all uniforms are returned or the cost for lost or non-returned uniforms will be deducted.

VACATIONS

Section 1. The vacation year shall be defined from anniversary date of employment.

Section 2. Each employee on the payroll and working with one year's continuous service as of the end of the vacation year shall be eligible for vacation pay, as hereinafter set forth:

- (a) An employee with one (1) year of service but less than three (3) years continuous service, shall receive one (1) week of vacation, with vacation pay computed on the basis of forty (40) hours times the employee's regular rate of pay.
- (b) An employee with three (3) years, but less than eight (8) years continuous service shall receive two (2) weeks of vacation, with vacation pay computed on the basis of eighty (80) hours times the employee's regular rate of pay.
- (c) An employee with eight (8) years, but less than eighteen (18)) years continuous service shall receive three (3) weeks of vacation, with vacation pay computed on the basis of one hundred twenty (120) hours times the employee's regular rate of pay.

- (d) An employee with eighteen (18) or more years of continuous service shall receive four (4) weeks of vacation, with vacation pay computed on the basis of one hundred sixty (160) hours times the employee's regular rate of pay.

Section 3. Plant Shutdowns and Vacation

- (a) At the Company's option the plant may be closed for one (1) or two (2) weeks during the year. All employees shall take their vacations at this time except maintenance or skeleton crews, which may be retained by arrangements for maintaining schedules and maintenance of equipment and premises.
- (b) Employees who shall have more than 40 or 80 hours of earned vacation pay will be allowed to take additional vacation accruals during the weeks following the annual plant wide vacation shut-down.
- (b) Employees may at the option of the Company be allowed to work some of their vacation and shall receive their vacation pay in addition to being paid for time worked. This does not mean that the employee may work when production requirements do not require a need. The Company will only give consideration to an employee's request to work.

Section 4. Vacation Usage and Seniority

- (a) Vacations must be taken within the year following the employee's eligibility date and shall not accumulate or be carried over into a subsequent year.
- (b) In scheduling vacations other than plant wide, the Company will attempt to meet the desires of the employees consistent with the requirements of its operations. If a dispute arises between employees in the same job classification, as to the time to take a vacation, length of continuous service shall prevail. Once an employee has been given approval of his vacation, seniority shall prevail for a period of five (5) days.

Section 5. As a further condition of participating in the foregoing plan, employees otherwise eligible for a vacation hereunder must have worked for the Company during the preceding vacation year a total of 1,600 clock hours. In determining whether or not an employee has worked 1,600 clock hours for the Company during the preceding vacation year, he will be credited as having worked paid holidays (eight hours each), paid vacations (forty hours each week), and the first four hundred (400) hours missed from work due to an on-the-job injury for which he is receiving worker's compensation benefits.

Section 6. An employee who resigns without first submitting to his supervisor an Avoid Verbal Order (AVO) or other proper form as provided by the Company exhibiting his intention to resign at least one (1) week prior to his leaving shall receive no vacation pay upon termination.

- Section 7.** Two (2) weeks written advance notice must be submitted to the employee's supervisor in the form of a Vacation Request Form provided by the Company in order for vacation checks to be available.
- Section 8.** An employee may request their vacation a day at a time. However, their vacation request must be approved by the end of the shift prior to the day of the vacation. Paychecks will not be furnished early for vacation that is not a full week. However, any vacation day paid will count eight (8) hours (10 hours for the four-day 10 hr/day employees) of the forty (40) hours of straight time necessary for overtime rates to begin.
- Section 9.** In the event that an employee has less than a full day of vacation due to the company changing working hours (example: Christmas week shutdown), the employee will have the option of taking the partial day or hours rather than being paid for the vacation time.

ATAP COMPUTER AND E-MAIL USAGE

Computers, computer files, the e-mail system, and software furnished to employees are ATAP's property intended for ATAP's business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization. To ensure compliance with this policy, computer and e-mail usage may be monitored.

ATAP strives to maintain a workplace that is free of harassment and that is sensitive to the diversity of its employees. Therefore, ATAP prohibits the use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale. For example, the display or transmission of sexually explicit images, messages, and cartoons is prohibited. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others. E-mail may not be used to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters. Employees should notify their immediate supervisor or any member of management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

In addition, ATAP, Inc. has established the following detailed policy with regard to computer usage:

ATAP provides access to the vast information resources of the Internet to help you do your job faster and smarter, and be a well-informed business citizen. The facilities to provide that access represent a considerable commitment of ATAP resources for telecommunications, networking, software, storage, etc. This Internet usage policy is designed to help you understand our expectations for the use of those resources in the particular conditions of the Internet, and to help you use those resources wisely.

While we have set forth explicit requirements, for Internet usage below, we would like to start by describing our Internet usage philosophy. First and foremost, the Internet is an expensive business tool for ATAP. That means we expect you to use your Internet access for business-related purposes only, that is, to communicate with customers and suppliers to research relevant topics, and to obtain useful business information. We insist that you conduct yourself honestly and appropriately on the Internet and respect the copyrights, software licensing, property rights, privacy and prerogatives of others, just as you would in other business dealings. To be absolutely clear on this point all existing Company policies apply to your conduct on the Internet, especially (but not exclusively) those that deal with intellectual property protection, privacy, misuse of Company resources, harassment, information and data security, and confidentiality.

Unnecessary or unauthorized Internet usage causes network and server congestion. It slows other users, takes away from work time, consumes supplies, and ties up printers and other shared resources. While our direct connection to the Internet offers a great deal of potential benefits, it can also open the door to some significant risks to our data and systems if we do not follow appropriate security discipline. This may mean preventing machines with sensitive data or applications from connecting to the Internet entirely, or it may mean that certain users must be prevented from using certain Internet features like file transfers. The overriding principle is that security is to be everyone's first concern. An Internet user can be held accountable for any breaches of security or confidentiality.

Certain terms in this policy should be understood expansively to include related concepts. *Document* covers just about any kind of file that can be read on a computer screen as if it were a printed page, including the so-called HTML files read in an Internet browser, any file meant to be accessed by a word processing or desk-top publishing program or its viewer, or the files prepared for the Adobe Acrobat reader and other electronic publishing tools. *Graphics* include photographs, pictures, animations, movies, or drawings. *Display* includes monitors, flat-panel active or passive matrix displays, monochrome LCDs, projectors, televisions and virtual-reality tools.

An Internet service includes, but is not limited to, e-mail, FTP, Telnet, web browsing, and Usenet or Newsgroups. This policy applies to any Internet/Intranet service that is:

- Accessed on or from ATAP, Inc.
- Accessed using Company computer equipment
- Used in a manner that identifies the individual with the Company.

MANAGEMENT AND ADMINISTRATION

The Company's Internet and e-mail systems are Company property. So are written and electronic documents and messages created or delivered through the Company's systems. **No employee should have any expectation of privacy as to his or her Internet or e-mail usage.**

We may inspect any and all files stored in private areas of our network in order to assure compliance with policy.

The display of any kind of sexually explicit image or document on any Company system is a violation of our policy prohibiting harassment. In addition, sexually explicit material may not be archived, stored, distributed, edited or recorded using our network or computing resources.

If you find yourself connected incidentally to a site that contains sexually explicit or offensive material, you must disconnect from that site immediately and notify the network systems administrator, regardless of whether that site had been previously deemed acceptable by any screening or rating program. There is to be no display or transmission of sexually explicit images, messages, cartoons, or e-mail communications that contain ethnic slurs, racial epithets, or anything that might be construed as frivolous, hateful, profane or harassment because of race, color, national origin, sex, sexual orientation, age, disability, or religious or political beliefs. Violation of this policy will result in appropriate disciplinary action, up to and including termination of employment.

This Company's Internet facilities and computing resources must not be used knowingly to violate the laws or regulations of the United States or any other nation, state, city, province or other local jurisdiction in any material way. Use of any Company resources for illegal activity is grounds for immediate termination, and we will cooperate with any legitimate law enforcement activity. Any software or files downloaded via the Internet into the company network become the property of the company. Any such files or software may be used only in ways that are consistent with their licenses or copyrights.

No employee may use company facilities knowingly to download or distribute pirated software or data.

No employee may use the company's Internet facilities to deliberately propagate any virus, worm, or Trojan horse.

Each employee using the Internet facility of the company will identify himself or herself honestly, accurately and completely (including one's company affiliation and function where requested) when setting up accounts on outside computer systems.

The company limits Internet and e-mail access to employees who have legitimate business needs for these resources. Since a wide variety of materials may be deemed offensive by colleagues, customers or suppliers, it is a violation of the company policy to store, view, print or redistribute any document or graphic file that is not directly related to the user's job or the company's business activities.

Use of company Internet access or e-mail facilities to commit infractions such as misuse of company assets or resources, harassment, unauthorized public speaking or misappropriation or theft of intellectual property are also prohibited by general company policy. Employees found in violation will be disciplined.

The company will comply with reasonable request from law enforcement and regulatory agencies for logs, diaries or archives on individuals' Internet activities.

Employees with Internet access must take particular care to understand the copyright, trademark, libel, slander and public speech control laws of all countries in which the company maintains a business presence, so that our use of the Internet does not inadvertently violate any laws, which might be enforceable against us.

Employees may not use the company Internet facilities to download entertainment software or games, or to play games on or over the Internet.

Employees may not use the company Internet facilities to download images or videos unless there is an explicitly business-related use for the material.

User ID's and passwords help maintain individual accountability for Internet resource usage. Any employee who obtains a password or ID for an Internet resource must keep that password confidential. Company policy prohibits the sharing of user ID's or passwords obtained for access to Internet sites.

Video and audio streaming and downloading technologies represent significant data traffic, which can cause local network congestion. Video and audio downloading are prohibited. ***Any need for software updates or downloads should be directed to the network systems administrator.***

Unnecessary use of the Internet, such as auto reloading sites for self-updating weather radar, cause server congestion and cost the company money by taking up unnecessary bandwidth. Auto reloading sites are prohibited.

Do not expect privacy. You should never assume that any information you send or receive over the Internet is private. You should be aware that there are a variety of ways an Internet communication can be disclosed to people other than the intended recipient. For example:

- The intended recipient of your communication can forward information to a third party without your knowledge,
- Internet communications sometimes are misdirected or disclosed to third parties due to human or system error.
- Your communications can be disclosed in the course of maintaining the system or correcting a system problem.
- Unauthorized individuals can intercept your communication.

Always represent ATAP's best interest. Exercise good judgment in your Internet communications and use. Keep in mind that your communications and activities using the Internet while at work are inextricable ties to our company. You have a responsibility to represent ATAP's best interest. When you are logged in from work, you must avoid any

communications or activities that could be construed as improper or that otherwise could harm ATAP's reputation.

E-mail affords you an immense and unprecedented reach to propagate company messages and tell our business story. Because of that power, we must take special care to maintain the clarity, consistency and integrity of the company's corporate image and posture. Anything any one employee writes in the course of acting for the company on the Internet can be taken as representing the company's corporate posture. That is why we expect you to forego a measure of your individual freedom when you send and receive e-mail on company business.

Manage your e-mail inbox. Promptly read and act on the e-mail messages you receive and delete or store them. You should check for new messages frequently, twice daily at a minimum. Retain important e-mail messages by storing them to a file or printing them out and putting them in a file folder. Ask the network systems administrator for information on how to archive you e-mail.

Exercise extreme caution concerning attachments. Do not open any suspicious attachments without first consulting the network systems administrator. Always remember: **Viruses can come as attachments from someone you know and trust!** Exercise caution when transferring large files. Don't attach large files to e-mail messages (greater than 2 megabytes). You are encouraged to use compression software to zip or compress large files before transferring them. Consult with the network systems administrator about how to best handle large file transfers.

Properly maintain mailing list subscriptions. Mailing lists are topic-specific discussion forums. Any mailing list subscriber can send a message to all mailing list subscribers by sending a single e-mail to the computer that administers the mailing list. Mailing list administration is usually automated by list software. You must abide by the following rules related to mailing lists:

- You may not subscribe to any mailing lists without prior approval from the network systems administrator.
- You may only subscribe to mailing lists that are job-related or serve a legitimate business purpose. After subscribing to a mailing list, generally you are sent a message with important information and instructions, such as how to unsubscribe. Printout or retain a copy of the message in a safe place!
- Read and delete mailing list messages promptly or archive them or print them out to read at a later date. If you are unable to check your e-mail for more than a couple of days you should unsubscribe to the list. Check the instructions for your mailing list. Some allow you to temporarily suspend your subscription and have your e-mail resumed when you return to work so you do not miss any messages.
- Never use the auto-reply feature of your e-mail software if you have an active subscription to a mailing list (some e-mail software allows you to automatically respond to an incoming e-mail to alert senders that you are away from the office) using the auto-

reply while you have an active mailing list subscription can generate a continuous loop of e-mail that is detrimental to our system and the mailing list.

SECURITY

Company network security policy requires that all downloads have prior approval of the network systems administrator. **No Exceptions!**

A download can take the form of browser plug-in's, software updates, file transfers and various other forms. If you are ever prompted to perform updates, file transfers, or browser updates contact your network administrator for assistance.

Security is often thought of in terms of virus prevention, weak password schemes, or passing unencrypted information such as credit cards, proprietary corporate information, etc... However, physical security is as important as the non-physical. When available, ATAP computer users should use the "lock computer" feature built into the software operating system (OS) to secure their computer from unauthorized use of the machine. A computer left unlocked is susceptible to use by anyone who has access to your station. Ultimately, you could be found in violation of policy for the actions of an unauthorized user.

INSTALLATION

Under no circumstances are you to install software on your computer without the express permission of the network administrator or IS/IT Department. There are many technical factors involved in software installations and failure to properly install software could render your system inoperable. For the purpose of this document, installation includes but is not limited to:

- Changing system settings such as mouse pointers, backgrounds, and screen savers.
- Installing programs or program updates.
- Installing plug-in patches to browsers or applications.

DESTRUCTION OF EVIDENCE

Under no circumstance are users to remove or reset the history features that are setup in your web browser(s), or the operating system, without permission from the network administrator. As stated elsewhere in this policy, you forego a degree of privacy when you use the computer systems at ATAP. Attempts to conceal computer activity by erasing web history, logs or files raises suspicion and could result in termination. As a simple rule, adherence to policy is best, but if you are violating policy it is better not to make attempts to cover your tracks in terms of severity of the disciplinary action.

SOFTWARE CODE OF ETHICS

Unauthorized duplication of copyrighted software violates the law and is contrary to ATAP's standards of conduct. We disapprove of such copying and recognize the following principles as a basis for preventing its occurrences:

- We will neither engage in nor tolerate the making or using of unauthorized software copies under any circumstances.
- We will provide legally acquired software to meet the legitimate software needs in a timely fashion and in sufficient quantities for all our computers.
- We will comply with all license or purchase terms regulating the use of any software we will acquire or use.
- We will enforce strong internal controls to prevent the making or using of unauthorized software copies, including effective measures to verify the compliance with these standards and appropriate disciplinary measures for violation of these standards.

Shannon Cheatwood
President

SOCIAL MEDIA

This policy covers use of various social media platforms and programs, including but not limited to blogs, Twitter, LinkedIn, Facebook, MySpace, product or service review sites like CitySearch, Yelp, etc.

We understand that some employees may maintain social media sites or profiles or may contribute posts to the sites or profiles of other people, businesses, or groups. It is important to understand that posts, images, tweets, and messages and e-mail can be re-sent around the world. Even if you take precautions to restrict access to your site, posts, or profile, it is possible that someone—perhaps even someone who is permitted to view the site—can copy it and use it in a way you did not intend. To protect the Company's interests, we expect that employees who maintain or contribute to social media sites will abide by the following guidelines, as well as practice common sense.

- The Company's equipment, including computers, internet access, and electronic and digital systems and storage, are not to be used for employees' personal social media. Working time should not be spent updating or creating personal social media posts, sites, and spaces.
- When posting (which includes but is not limited to a blog post, a comment or wall post, status updates, modification of your profile, or "tweeting") about your work at home on your own time, you must abide at all times with all legal and ethical requirements, as well as the Company's policies regarding non-harassment and other matters including those governing the confidentiality of the Company's information and information of or about the Company's customers.
- You may not disclose confidential or other inside information about the Company, its customers or its employees that you learn in the course of your employment.
- You may not use any materials belonging to the Company, including our promotional and marketing materials, without the written permission of the [Responsible Person (e.g. President/Chief Operating Officer/Marketing Department Director/Human Resources Director)].
- You should assume that people, including co-workers, supervisors, customers and their family members, are reading your postings.
- Be respectful. You may not make discriminatory, defamatory, libelous or slanderous comments when discussing the Company, its officers, your supervisors or co-workers, our customers, or our competitors.
- The Company may address as a disciplinary issue any language that you post in a blog or a social media site that reflects negatively on your work ethic or your level of commitment to and compassion for our customers.

- Nothing in this policy is intended to prohibit, nor should it be interpreted as prohibiting, employees from engaging in communications with other company employees concerning working conditions or issues.
- The Company strives to provide the best service and work environment possible. We welcome your concerns and suggestions for improvement. You should bring these to your supervisor or management.
- We hope that our employees would recommend our products and services. However, the Company does not encourage its own employees to “guerilla market” our services online. If you—or someone in your immediate family, like a spouse, parent, child, or sibling—do make any such recommendation or review, the review must disclose the employment relationship.

Violations of this policy may result in discipline up to and including termination of employment.

DISCLAIMER STATEMENT

I, _____, have received, read, reviewed, asked questions of concern, and acknowledge that this ATAP, Inc.'s employee handbook. I acknowledge that this handbook may be unilaterally changed at any time by the employer. I acknowledge this handbook is not a contract or guarantee of employment. The relationship of the employee and the employer is at will and can be terminated at any time by either part for any reason.

I am aware the company has a zero tolerance policy for sexual harassment. I understand, I am subject to termination if I sexually harass another employee. I understand, I am encouraged to report any sexual harassment I may experience to my supervisor, or if I wish, directly to upper management (including the CEO). I am aware that the company has a zero tolerance policy for racial harassment. I understand, I am subject to termination if I racially harass another employee. I understand, I am encouraged to report any racial harassment I may experience to my supervisor, or if I wish, directly to upper management (including the CEO). I understand, I am subject to termination if I violate the Computer Policies and Procedures.

Signature

Date

CODE OF CONDUCT

The ATAP, Inc. Code of Conduct outlines expected behaviors for all ATAP Employees. ATAP will conduct its business fairly, impartially, in an ethical and proper manner, and in full compliance with all applicable company policies and procedures; local, state and federal laws and regulations. In conducting ATAP's business, integrity must underlie all company relationships, including those with the government, customers, suppliers, communities and among employees. ATAP expects to meet or exceed all industry standards for compliant and ethical behavior.

Ethical business conduct is required of ATAP employees in the performance of their company responsibilities. Employees will not engage in conduct or activity that may raise questions as to the company's honesty, integrity, impartiality, reputation or otherwise cause embarrassment to the company. Honesty and integrity are the basic principles of ATAP's Code of Conduct. Our personal standards and ethics must be above reproach at all times, and we must conduct ourselves in a manner to reflect credit upon ATAP and the government. We must be honest in all our relationships and must avoid even the appearance of illegal, non-compliant, or unethical conduct.

It is the responsibility of each and every ATAP employee to maintain the highest standards of business ethics, including taking positive action to prevent and report any improper acts that may come to your attention.

Employees will ensure that:

- Respect and fairness are the foundation for all our transactions and interactions.
- They will protect all company, customer, government and supplier assets and use them only for appropriate company-approved activities.
- They do not engage in any unfair or anti-competitive business practices or any activity that might create a conflict of interest for the company or for themselves individually.
- They will comply with all company policies and procedures; local, state and federal laws and regulations.
- They will follow all restrictions on the use and disclosure of information. This includes following all requirements for protecting ATAP information and ensuring that non-ATAP proprietary information is used and disclosed only as authorized by the owner of the information or as otherwise permitted by law.
- They do not take advantage of their employment with ATAP to seek personal gain through abuse of their position or through the inappropriate use of ATAP or non-public information.

- They will promptly report any illegal, unethical, or other improper conduct to senior management, human resources or other appropriate authorities.

WHERE TO GO FOR ASSISTANCE

Every employee has the responsibility to ask questions, seek guidance and report suspected violations of this Code of Conduct. Retaliation against employees who come forward to raise genuine concerns will not be tolerated.

If you have a question on this policy, please immediately contact the ATAP Compliance and Ethics Officer (currently Roy Washburn – Ext 147), or if he or she is not available, please contact the President (Shannon Cheatwood – Ext 112).

CODE OF CONDUCT
ACKNOWLEDGMENT & AGREEMENT

The ATAP, Inc. Code of Conduct outlines expected behaviors for all ATAP Employees. ATAP will conduct its business fairly, impartially, in an ethical and proper manner, and in full compliance with all applicable company policies and procedures; local, state and federal laws and regulations. In conducting ATAP's business, integrity must underlie all company relationships, including those with the government, customers, suppliers, communities and among employees.

Ethical business conduct is required of ATAP employees in the performance of their company responsibilities. Employees will not engage in conduct or activity that may raise questions as to the company's honesty, integrity, impartiality, reputation or otherwise cause embarrassment to the company.

If you have a question on this policy, please immediately contact the ATAP Compliance and Ethics Officer (currently Roy Washburn – Ext 147), or if he or she is not available, please contact the President (Shannon Cheatwood – Ext 112).

My signature on this document acknowledges that I have read the Code of Conduct thoroughly, understand it, and agree to abide by it.

Employee's Name (printed)

Employee's Signature

Date