

**Heritage Products, Inc.**



**Team Member Handbook  
Revised July 7<sup>th</sup>, 2010**

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### **I-1 Preamble**

" Our success and the future of Heritage Products, Inc. depends upon how well we do our jobs together. All team members are encouraged to share their ideas, questions and suggestions with management and thus influence the future direction of our Company."

### **I-2 Welcome from the President**

Dear Team Members,

I am pleased that you are part of the team at Heritage Products, Inc. This handbook will serve to acquaint you with our policies and benefit programs.

By working at our Company, you have chosen to begin or advance your career with a proven industry leader. We are committed to our most valuable asset - our team members. Together we are dedicated to our customers, to product excellence, and to profitability, for these are guarantees of our future.

We are committed to positive, effective communications. This handbook describes some of the ways we facilitate good communications. Please speak up - we value your opinion.

We strive to reward team member contributions in many ways including competitive compensation, career opportunity, training and kaizen programs. In addition to your pay, the company provides a comprehensive program of team member benefits. These programs are briefly described in this handbook. The human resources department is available to answer any additional questions you may have.

I take this opportunity to offer you best wishes for your personal success with Heritage Products, Inc.

### **I-3 Introduction of Handbook**

## **About Your Handbook**

Welcome to Heritage Products, Inc. This handbook will provide you with an understanding of our general operating policies, practices and benefits.

At Heritage, all personnel are team members. As a new team member, you have become a part of a company where people are our most important asset. Heritage values the efforts of all team members. Each of you will be given the latitude in your daily job to search for better ways to improve our operation and the quality of our products. We will always strive to place you in assignments where you can contribute to the full extent of your abilities. In fact, without the contributions of each and every person, Heritage would not be where it is today.

Your job satisfaction, progress, and welfare are important. Without these important ingredients, we cannot hope to be successful. Our intent is to make Heritage a profitable operation and a good place to work. To do this we will need your help.

This handbook is compiled solely to provide information and is subject to change at anytime by the company. It is not a contract of employment and does not alter the expressed at - will status of your employment. Only the president of the company has authority to enter into any other employment agreement, and such agreement must be in writing and signed by the president.

## **I-4 History of Heritage Products, Inc.**

The History of Heritage Products began on April 28, 1985 when the company was established under the name Hiruta U.S.A. Inc., as a wholly owned subsidiary of Hiruta Kogyo, Japan.

Hiruta U.S.A. Inc. had it's office in Ann Arbor, Michigan and was engaged in sales, promotion and collecting information for setting up a manufacturing facility in the Midwest.

In 1987, Hiruta Kogyo sent feasibility study groups to the Midwest and they visited more than 40 communities. Crawfordsville, having all the desired attributes - a vibrant downtown area and most importantly friendly, nice people was selected.

We bought 10 acres of land in May of 1998. The construction started in July and was completed on schedule December 23, 1988.

On September 29, 1988, Heritage Products, Inc. was established as a wholly owned subsidiary of Hiruta U.S.A Inc. and a temporary office was established at 127 Main East Street in Crawfordsville. Employment started in September of 1998 and by the end of March 1989, Heritage Products had a total of 16 team members.

On March 1, 1989, Heritage Products, Inc. merged with Hiruta U.S.A. Inc. its parent company, and machinery installation began in preparation for the production start - up date of July 1989.

## **I-5 Heritage Products, Inc Mission and Goals**

### **Quality Policy:**

Our commitment to quality at Heritage Products is to produce only the highest quality products at a competitive cost through continuous improvement.

### **Our Goals to fulfill this mission are:**

To provide a system that will excel through the application of Continuous Improvement Principles in all aspects of: Purchasing, Manufacturing, Sales, Distribution, and administration.

To build a financially profitable, strong and independent company that will provide us with financial strength to be a world-class supplier to the Automotive Industry.

To continuously pursue, develop and maintain a high degree of technological advancement in the manufacture of products to meet requirements of our customers.

To build a system of employee involvement, motivation and training to provide a team of employees that will carry out our mission.

To provide a workplace that is safe has good working conditions with earnings and benefits to improve the quality of life of all team members.

Continuous Improvement Principles will be used to develop the quality of our services and products as well as the performance of all activities within our organization. In this way we are best able to meet the needs of our customers, owners, employees, and the communities in which we live and participate.

## **I-6 Our Position Regarding Union Representation**

The team members of Heritage Products, Inc. do not have a union. Heritage Products, Inc. shares its team member's belief that being non-union is in their best interest. As a non-union team member, you can deal directly with management without a third party to speak for you. We greatly value our ability to deal with our team members directly as individuals and believe our team members feel the same.

Heritage Products, Inc. has always tried to deal fairly with its team members in every way and is committed to personnel policies and programs that are specifically designed to provide stable employment, job security, career growth opportunities, complete communications and an excellent compensation and benefit package for team members who sincerely and honestly deserve them. It should not be necessary for you or anyone else to belong to any union in order to work at our Company.

We sincerely believe that a union would not work to the benefit of our team members, but to the contrary, to their detriment. Unionized team members in our industry have found, often to their regret, that instead of promised wage and benefit increases; unions actually cost them money through union dues, fees and assessments.

With these beliefs, it is our positive intention to oppose unionism by every proper means and do everything possible to design and maintain programs to fulfill team member needs without union representation. If you have any questions about what joining a union means, or could potentially mean, for you and other team members at Heritage Products, Inc. feel free to ask your Supervisor, Department Manager or Human Resource Manager about the subject

## **I-7 Our Beliefs about Equal Employment Opportunity**

Heritage is an equal opportunity employer and is committed to employing, upgrading team members and does not discriminate against any job applicant or employee on the basis of sex, race, color, religion, national origin, disability, veteran's status, or age.

All personnel activities such as compensation, benefits, transfers, promotions, Company sponsored training and education, tuition assistance and recreational programs are free of discriminatory practices. Our policy also prohibits discriminatory harassment of any form-whether racial, sexual, ethnic or religious. Heritage Products is committed to providing a bias-free work environment in which every employee is entitled to be treated with respect. Any unwelcome behavior, physical or verbal, or conduct that creates an intimidating, hostile or offensive work environment is prohibited.

If you desire additional information regarding equal employment opportunities at Heritage, you may contact the Human Resources Department.

## **I-8 Our Feelings about Sexual Harassment**

The Company will not tolerate any form of sexual harassment by anyone against any of our team members. Because of this Company's strong disapproval of offensive or inappropriate sexual behavior at work, on Company business trips, or at Company sponsored activities, all team members must avoid any action of conduct which could be viewed as sexual harassment, such as:

- Requests for sexual favors;
- Unwanted physical contact, including touching, pinching, or brushing the body;
- Verbal harassment, such as sexual innuendoes, suggestive comments, and jokes of a sexual nature, sexual propositions and threats.
- Non-verbal conduct, such as display of sexually suggestive objects or pictures, leering, whistling, or obscene gestures; and
- Acts of physical aggression, intimidation, hostility, threats, or unequal treatment based on sex (even if not sexual in nature).

Any team member who has a complaint of sexual harassment at work, on Company business trips, or at a Company sponsored activity by anyone, including supervisors, co-workers or visitors, must bring the problem to the attention of their Supervisor, Department Manager or the Human Resource Manager. It is critical that every team member takes responsibility in reporting to us any sexual harassment of which he or she is aware.

All complaints will be handled promptly. Team members should be aware that the privacy of the complaining person and the person accused of sexual harassment will be kept confidential, to the extent possible, and will not be released to third parties, except as provided by law. The Company will investigate all allegations of sexual harassment and take whatever action appears to be appropriate, including disciplinary measures up to and including discharge, to remedy all violations.

## **I-9 Conflicts of Interest**

At Heritage Products we have stated and believe in employee involvement, in carrying out our mission for continuous improvement. We do not however feel that subcontracting other skills that a team member may possess outside of their work at Heritage is in the best interest of the Company. Our goal is to be fair to everyone, and not showing favoritism to one and unfair treatment to another.

## **I-10 Use of Recording Devices**

The use of recording devices at Heritage Products, other than for Company business, is strictly prohibited, without the written permission of the President of Heritage Products.

## **II-1 Pay Periods**

All hourly paid team members will be paid on a bi-weekly basis, every other Friday. Your check on Friday will cover the two week time period ending on the Sunday preceding payday. Paychecks will only be passed out during your regular shift hours by your supervisor. If you have a scheduled vacation on a Friday payday, you may pick up your check no earlier than 1:00 p.m. on Thursday from your supervisor or manager. If payday falls on a regularly scheduled holiday, paychecks will be issued on the last scheduled workday preceding the holiday. During shutdowns or holiday periods, paychecks will be mailed to arrive by Friday of that week. Rev(5-1-09)

## **II-2 Payroll Deductions**

Heritage is required by law to make certain deductions from your check. The federal government requires that income tax and social security contributions be withheld from your check. The state and local government also requires withholding income tax.

Other payroll deductions may be arranged for your convenience. Deductions for such things as uniforms, safety shoes, credit union, 401k or insurance may be made. All deductions from your check will be indicated on your statement of earnings for each pay period.

## **Payroll Distributions**

### **A - Shift**

Vacation Wednesday you will receive your check Thursday night

Vacation Thursday you can pickup your check Thursday after 1:00 pm

Vacation Wednesday and Thursday you can pickup you check Thursday after 1:00 pm

## **B - Shift**

Vacation Thursday you will receive your check Friday

Vacation Friday you can pickup your check Thursday after 1:00 pm

Vacation Thursday and Friday you can pick up your check Thursday after 1:00 pm

## **C - Shift**

Vacation Thursday you can pickup your check Thursday after 1:00 pm

Vacation Friday you will receive you paycheck Thursday after 1:00 pm

Vacation Thursday and Friday you can pickup your check Thursday after 1:00 pm

## **II-3 Hours of Work**

Regularly scheduled work hours will vary according to job function and department policy. However, as a general guideline production, maintenance and inspection team members would fall under either group A, B or C and all remaining team members would be group D.

**Breaks:** There will be two paid ten (10) minute breaks during an 8-hour shift. If overtime is required the following guidelines will be used:

1. Two (2) to four (4) consecutive hours of scheduled overtime: Ten (10) minutes of paid break time will be given prior to the beginning of the overtime period.
  2. Four (4) or more consecutive hours of scheduled overtime: Twenty (20) minutes of paid break time will be given.
- If you have any questions regarding your specific work hours, lunch or break periods, please consult your supervisor.

## **II-4 Overtime Scheduling**

We are a "Just-in-time" supplier to our customers, so we must always be ready to fulfill our customers' needs whenever they make a request to us. As a result, there will be peak periods where business and/or operational needs may require us to schedule overtime hours.

If the Company has the flexibility to use overtime to cover these peak periods, it can provide you with a more secure and stable working environment. We believe that steady, level employment is far superior to "hiring during peaks" and "laying off during valleys," For these reasons, you will be expected to work overtime when requested.

Heritage will advise team members of scheduled overtime as much in advance as possible. Overtime opportunities will be distributed as equitably as practical among qualified team members who normally perform those designated tasks.

## **II-5 Overtime Pay**

Team members (other than salaried) who work in excess of the standard work day (8 hours) will be paid at one and one-half times their straight time rate for those hours worked. . If you work in excess of the standard workweek (40 hours), you will be paid at one and one-half times your straight time rate for those hours worked. If you work on Sunday, you will be paid double your straight time rate for all hours worked, unless this is part of your regular work schedule (Group A team members for example, who normally start their work week on Sunday night).

If you work on a holiday you will receive your holiday pay. You will also be paid at double your straight time rate for all hours worked unless this is part of your regular work schedule (Group A team members, for example, who have Monday off - Sunday night to Monday morning - due to a Monday holiday and then arrive at work Monday evening to work their Tuesday.)

There shall be no compounding of overtime pay. If more than one rule on overtime compensation would apply to any time worked by a team member you will be paid for such time at the highest overtime rate and shall not be entitled to any additional overtime compensation for such time under any other overtime pay rule.

Company paid absences (excluding disability insurance payments) will count in calculating your overtime hours. Examples of company paid absences include vacations, holidays, and death in the family and jury duty pay.

## **II-6 Reporting Pay**

Whenever, as a team member, you report to work as scheduled and find no work available, you will be offered other work for four (4) hours. If such other work is not available, you will be paid for four (4) hours reporting pay at your base pay rate.

However, if the failure to supply work is the fault of the team member, acts of God, or other interference with operations beyond the control of Heritage, Heritage shall not be liable for reporting pay. Also, if you have been notified not to report to work, or a good faith attempt was made to notify you by calling or broadcasting a message on radio station WCVL and WIMC within one hour of the starting time, reporting pay shall not be paid.

## **II-7 Call Back/Call in Pay**

If you are called back to work after you have clocked out and left the plant, you will be paid four hours pay at straight time or paid at the applicable over-time rate for all hours worked whichever is greater. This does not cover a situation where you are asked to begin your regular shift early.

## **II-8 Shift Premium**

For hours worked on the A or C shift, non-salaried team members will be paid a\$.30 per hour shift premium. You will be paid the shift premium at the rate for the shift on which you spend more than four hours of your work schedule. Vacation pay will include shift premium.

## **II-9 Performance Review and Wage Increases**

Hourly paid team members may ask, "How will I get an increase in my rate of pay?" or, "How will I know what kind of job I am doing?" Obviously these are relevant questions to ask, while they appear to be closely related issues, we will be addressing them separately.

A, C, & E1 position "How will I get an increase in my rate of pay?" Your performance will be reviewed 2 times per year. Providing you are meeting all the expectations of your supervisor, you will receive an increase after your 3rd, 9th and 15th month.

For E1 positions in order to move to the next "E" level you must satisfy specific requirements within your department. Your qualifications and / or deficiencies will be reviewed two times per year during your performance review. If the department manager feels you have satisfied the specific requirements he/she can recommend that you be promoted to the "E" level at which time you will receive the first pay increase. Providing you continue to meet expectations of your supervisor you will receive an additional pay increase after 6 months and 12 months. After the 12-month increase you will be at top "E" level pay.

"How will I know what kind of job I am doing?" After you have mastered the basic skills of your job, you will receive a performance review twice a year. These sessions are intended to provide an opportunity to discuss past accomplishments, review performance issues (if any) and develop plans for personal development. We anticipate these performance reviews will take place about every six (6) months after you start your employment.

Newly hired E Team Members will have their performance reviewed 2 times per year. If their performance has exceeded the expectations of their supervisor, Department Manager, and the Human Resources Manager, their rate of pay may be increased to the 9th, 21st, and 27th month wage progression accordingly.

The overall wage structures will be reviewed annually. Such factors as the overall economic conditions, wages paid by other local companies and Heritage profitability will all be taken into consideration. If justified, an overall change in the structure will be made.

## **II-10 Initial Employment Period**

During your first six (6) months of employment as a Heritage Products, Inc. team member, you may be terminated for any reason without regard to any of the work rules or procedures described in the handbook, including the performance management program.

## **III-1 Vacation**

Heritage believes that you should have a time of rest and relaxation each year. Vacation with pay is one of the ways we show our appreciation for your length of service and productive efforts.

1. A team member, who has worked a minimum number of hours, will earn eligibility for paid vacations on January 1, in an amount based on the years of continuous service since your hire date and in accordance with the following schedule:

**As of January 1:** 1 year > 5 years = 10 days. 5 years > 15 years = 15 days. 15+ years = 20 days.

2. All team members with less than one year of service as of January 1st will be eligible for ten (10) vacation days after they have completed six (6) consecutive months of employment and worked a minimum of 1,000 hours from their date of hire.

3. New team members, who have worked a specified number of months, will be eligible for the current year vacation in the year of hire in accordance with the following schedule:

Jan 1 to Feb 15: After 6 months = 5 days

Feb 16 to March 31: After 6 months = 4 days

April 1 to May 15: After 5 months = 3 days

May 16 to June 30: After 4 months = 2 days

July 1 to Aug 15: After 3 months = 1 day

4. Vacation time is not to be accumulated from year to year.

5. Team members are not to receive pay in lieu of vacation, except as indicated in #10 below, or in other extenuating circumstances when approved by your Supervisor and Manager and with prior notification of the Human Resource Manager.

6. Vacation days can be taken in any full day or weekly increments.

7. Regular vacation must be scheduled before the end of your previous shift.

8. In any year that a team member resigns, retires, or is otherwise terminated, all vacation not yet taken, will be paid to the team member at the time the last payroll check is given to the team member.

9. Team members are to take their annual earned vacation during the year of eligibility. It is emphasized that adherence to this practice requires thorough planning by management in the scheduling of vacation.

10. In the event of the death of a team member, payment will be made for any unused vacation allowance for which he/she was eligible on the date of his/her death. Such payment will be made to the same person who is entitled to receive unpaid salary.

11. Any allowance in excess of those provided above or any exceptions to any provisions of this policy must receive prior approval of the Human Resource Manager.

12. Granting of the day or days will depend on production requirements and availability of trained replacements, at the Supervisor's and Department Manager's discretion.

### **III-1.1 Pro-rated Vacation Due To Leave of Absence**

In order to clarify our policy regarding vacation eligibility for team members who have had a leave of absence of thirteen (13) weeks or longer, we will pro-rate current year vacation as follows:

1. For each week of work before the leave of absence begins multiply x 0.2. This will be total current year vacation for this year.
2. If team members return from leave before the end of the same year, we will assume that they will be at work for the rest of that year and will multiply the remaining weeks of that year by 0.2 to determine remaining vacation eligibility.
3. If a team member has taken more than allotted we will not deduct.
4. For the team member who has more than 5 years seniority, we will multiply x 0.3 for each week as described above. For team members with more than 15 years seniority we will multiply by 0.4 for each week as described above.
5. Any team member whose leave of absence is 13 weeks or longer, and carries over to the next year, will not be allowed to schedule any vacation in the new year until they have worked 30 days into the new year.

### **III-1.2 Half Day Vacation Time**

1. Granting of the half-day vacation will depend on production requirements, availability of trained replacements and at the Supervisors and Department Manager's discretion.
2. Each team member will be permitted to take vacation in (1/2) day increments. Half days are defined as: four (4) regular work hours at beginning or end of shift.
3. When requesting a half (1/2) day vacation, paid lunch hours will not be provided if you are working a straight eight (8) hour shift.
4. Eligibility requirements and any restrictions that apply are the same as those outlined in Section "III-1 VACATION" of the Team Member Handbook.
5. If a team member is scheduled for a 10-hour shift, they must work:
  - a. Under time - 6 hours
  - b. Overtime - 4 hours (Assuming the person has a pm vacation)

### **III-1.3 Emergency Vacation Days**

In order to allow team members time off for emergency situations without effecting their point total, Heritage has allowed up to two (2) vacation days to be used as emergency vacation days. ( rev. 5/1/2007)

1. Up to four (4) times per calendar year, (Jan. 1<sup>st</sup> - Dec. 31<sup>st</sup>), a team member may call and use either a half or full emergency vacation day with the exception of only using one occurrence in the month of January.
2. The team member can use a full or a half-day vacation. Two full days or four half days or any combination of the two.
3. Documentation is not needed.
4. Supervisor cannot refuse.
5. Can be used next to a holiday.
6. If used before or after a holiday the team member will still receive holiday pay providing they work the previous scheduled workday and the day after. (See III-3 Holidays)
7. If a severe weather day is issued the emergency vacation day that was taken by the team member(s) due to the weather may be reinstated.

### **III-2 Scheduling of Vacations**

Heritage will, to the extent possible, schedule vacation periods at times most desired by you. Team members having longer service with Heritage will be given preference as to choice of vacation period(s). We encourage all team members to request vacation by the March deadlines whenever possible, in order to better accommodate team members requests.

Team members with 3 or more weeks earned vacation are required to take at least 5 days consecutively. The 5 days can be split between two weeks (ex: Wed, Thur, Fri, Mon, Tue). They can also be taken around holidays, but the holiday(s) does not count as one of the 5 days. Vacation periods, once approved, will only be changed by the Company in an emergency situation and with at least one-week notice by your Supervisor.

Team member's eligible or that will be eligible for vacation in the current year will fill out a vacation request scheduling form. These forms must be completed and returned to your supervisor by the dates indicated below in order to grant your vacation by seniority.

Vacation scheduled by 12/15 in increments of full weeks or single days for January are granted by seniority. (rev 4/10/08)

Vacation scheduled by 1/15 in increments of full weeks or single days for Feb, March, and April are granted by seniority. (rev 4/10/08)

Vacation scheduled by 3/15 for full weeks for the months May thru Dec. will be granted by seniority.

Vacations scheduled by 3/31 for single days for the months May thru Dec. will be granted by seniority.

Vacations scheduled after 4/1 for full weeks or single days will be granted on a first come first served basis.

Any other vacation requests falling before or after the above listed deadlines will be granted on a first come first served basis.

Full week vacations will always take precedence over single day vacations.

In order to maintain fairness to team members denied their first choice of vacation, full week or day(s), because of seniority, vacation requests approved during the January to March scheduling procedure can only be changed with your Manager's approval. Approved "first come, first serve" vacations may be canceled or changed with your Supervisor's

approval.

If a plant wide summer shutdown is to be made during a particular year, you will be notified of such shutdown by no later than March 30th of that year and you must schedule vacation, for (4) days maximum, for this time period unless you are scheduled to work.

### **III-3 Holidays**

Heritage recognizes and pays for 13 holidays throughout the year. Eight core holidays will normally be recognized from year to year. These are:

- \* New Year's Day
- \* Good Friday
- \* Memorial Day
- \* Independence Day
- \* Labor Day
- \* Thanksgiving Day and the Friday after
- \* Christmas Day

The additional five (5) paid holidays calendar location may vary from one year to the next and will be scheduled at the beginning of the year. The variation will be due to the calendar and the way the days during the Christmas holiday period fall, as well as our production schedule.

If a company recognized holiday falls on Saturday, the previous Friday will normally be observed as the holiday. If the holiday falls on a Sunday, the following Monday will normally be observed. To be eligible to receive holiday pay, you must:

1. Work the full last scheduled shift preceding the holiday, and
2. Work the full first scheduled shift following the holiday. If you are receiving vacation, jury duty, military, bereavement pay (death in family) or you have a doctor's slip from a hospital requiring you to be off work before or after the holiday you must work the full scheduled shift before or after the excused days. If you are receiving pay or completing the waiting period under our S.T.D., L.T.D. or worker's compensation plan you will not receive holiday pay but will be compensated according to the plan in effect.

#### **III-3.1 Holiday Pay amount If Time Missed**

As our team member handbook currently reads, only a team member who does work the entire shift before and after the holiday is eligible to receive holiday pay. Therefore, it is possible that a team member could be one (1) minute late on one day and lose 1, 2, 3 or 4 days pay. In order to ensure that a team member does not unfairly lose this much income, the Senior Management Committee will review each of these situations on a case by case basis to determine the amount of holiday pay, if any, that will be paid. If within the acceptable 20 minute late on attendance, we will pay holiday pay.

If a team member is scheduled for 10 hours on the day before or after a holiday, then they must work 10 hours to be eligible for holiday pay.

### **III-4 Life Insurance**

Heritage provides life insurance at no cost to team members at a rate equal to your base annual earnings, with a minimum of \$10,000. This insurance becomes effective 30 days following your date of hire.

For a detailed explanation, please consult your insurance booklet or the Benefits Coordinator.

### **III-5 Accidental Death & Dismemberment Insurance**

Heritage provides A.D. & D. Insurance at no cost to team members at a rate equal to two times your base annual earnings. This insurance becomes effective 30 days following your date of hire. For a detailed explanation, please consult our insurance booklet or the Benefits Coordinator.

### **III-6 Disability Insurance**

Although we hope our team members never need it, Heritage does have a disability insurance program provided at no cost to team members.

Short Term:

66 2/3% of your weekly compensation up to a maximum of \$1500 lasting up to 26 weeks. Short-term disability benefits will be provided for: (a) illness lasting more than seven days with benefit payments beginning with the eighth day of illness, and (b) accidents with benefit payments beginning with the first day of an accident.

Long Term:

50% of your monthly compensation up to a maximum of \$2,500. You must have been totally disabled for a period of six months.

This insurance becomes effective one (1) year following your date of hire. For details of this program, consult your insurance booklet or the Benefits Coordinator.

### **III-7 Medical & Dental Insurance**

Heritage provides comprehensive medical and dental insurance plans to all team members. Team Members may be required to pay a portion of their insurance premiums for both themselves and their dependents. See your Benefits Coordinator for the exact weekly amount.

## **IV Leaves of Absence**

To apply for a medical, personal, or family medical leave of absence the team member must complete a leave form available from the Human Resources Department and return it to your supervisor. Team members will become eligible for the listed leaves of absence after they have completed one (1) full year of service.

Team members are not permitted to work for another employer during the team member's scheduled working hours at Heritage Products, Inc., or during scheduled working hours when the team member is off work due to leave of absence of any kind, whether personal, medical or FMLA. It is also a violation of our leave policies for a team member to perform work for another employer that violates the team member's work restrictions (Optional - Violations of this policy may result in cancellation of leave and discipline or termination of employment.)

### **IV-1 Medical Leave**

It is important that you notify your supervisor the first day you are aware that you have a medical problem that will require an absence from work. Any illness or injury related absence of more than five (5) consecutive workdays; you must make an application for medical leave of absence.

All medical leaves will be authorized by Heritage only with written verification of medical condition from the attending physician. Your return to work may be subject to your passing a physical examination such as that given to a new applicant. However, except in extraordinary situations where the team member's skill, ability, knowledge and expertise are essential to the Company, the maximum period for a medical leave of absence is based on the team member's length of service with Heritage Products per the following:

- 1.) Nine (9) months for team members with more than one (1) but less than (5) years of service
- 2.) Twelve (12) months for team members with five (5) years of service
- 3.) Fourteen (14) months for team members with six (6) years of service
- 4.) Sixteen (16) months for team members with seven (7) years of service
- 5.) Eighteen (18) months for team members with eight (8) years of service
- 6.) Twenty (20) months for team members with nine (9) years of service
- 7.) Twenty two (22) months for team members with ten (10) years of service
- 8.) Twenty four (24) months for team members with eleven (11) or more years of service.
- 9.) It should be understood that the first twelve (12) weeks of any medical leave would be counted under the Family and Medical Leave Act. That twelve (12) weeks will also be included in the schedule above denoting the maximum time a team member is allowed to be on a medical leave before losing their seniority. The Company will notify the team member in writing, thirty (30) days prior to the team member's maximum time allowed before losing their seniority, per the schedule above if they have not been released to return to work.

Each thirty (30) days team members are required to notify Heritage of their specific medical condition and to seek an extension of the leave of absence.

For specific information regarding disability benefits, please refer to your insurance booklet, contact the Human Resources Department or see section III-6 of this handbook.

### **IV-2 Maternity Leave**

Any absence for maternity reasons will be treated as a medical leave. Your doctor will determine when you are no longer able to work at your job and when you are physically able to return to work.

### **IV-3 Personal Leave**

The Senior Management Committee may, at its discretion, grant an unpaid personal leave to a team member who might otherwise be ineligible for leave. Each request will be reviewed and your work record, attendance, length of service, the nature of your request, and the company / department workload requirements will be considered. A leave of absence will not be granted to work for another employer, incarceration, or for similar reasons. The team member will normally be required to use any earned vacation time, with the exception of mandatory shut down days, before any unpaid leave will begin.

Team members will be eligible to apply for a personal leave of absence only after completing a minimum of one year of service with HPI.

A personal leave of absence request must be made in writing indicating the reason for the request and the anticipated length of the leave.

Medical, dental and life insurance will remain in effect while on leave of absence and the team member is required to pay their share of the premium.

A personal leave of absence will be counted as an occurrence on your attendance record.

It is very important that you notify your supervisor well in advance so that an acceptable replacement can be arranged if needed. Requests should be made at least five (5) working days in advance except in cases of extreme emergencies.

#### **IV-3.1 Family Medical Leave**

You may be eligible for leaves of absence caused by certain family or medical reasons, for leave relating to care of a covered service member, veteran or for certain exigent (pressing) circumstances in the case of military leave. To be eligible for such a leave, you must have completed at least one (1) year of service, have worked at least 1,250 hours

during the twelve (12) months preceding the commencement of the requested leave of absence. In addition, you must be a qualifying family member in order to use leave for these purposes.

This policy will be applied in a manner that is consistent with all federal, state, and/or local laws in the jurisdiction in which the employee works. If any provision of a state or local law grants more generous leave rights than those outlined in this policy, the policy will be applied in a manner that is consistent with that state or local law.

Up to a total of twelve (12) weeks of unpaid leave during any rolling backward (measured backward from the date the leave is to commence) twelve (12) month period may be available to cover: (1) the birth of your child; (2) the adoption or foster care of a child by you; (3) the care of your spouse, child or parent because of a serious health condition; or (4) your own serious health condition. A serious health condition generally means an illness, injury or other medical condition which renders you unable to perform your job, such as a period of hospitalization or a period of incapacity exceeding three (3) full calendar days while under the continuing care or treatment of a health care provider. FMLA leave for the birth, adoption, or foster care of a child must be taken within one year of the birth or placement.

Up to a total of twenty-six (26) weeks of unpaid leave in a single 12 month period is available in qualifying circumstances to care for the covered servicemember or veteran with a serious illness or injury. Covered family relationships in care for a servicemember or veteran include a spouse, child, parent, or nearest blood relative for a servicemember or veteran who is undergoing medical treatment, recuperation, or therapy, is otherwise in an outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness incurred by the member in line of duty in the Armed Forces. A "serious injury or illness", in the case of a member of the Armed Forces, including a member of the National Guard or Army Reserve, means an injury or illness incurred by the member in the line of duty. This type of leave is also available for covered family members of veterans who are undergoing medical treatment, recuperation or therapy for serious injury or illness incurred or aggravated in the line of duty that occurred any time during the five years preceding the date of treatment. The term outpatient status with respect to a covered servicemember or veteran is defined to mean the status of a member of the Armed Forces assigned to a military medical treatment facility as an outpatient, or a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients. This type of leave will begin from the first date such leave is taken and calculated forward for the 12 month period following that date. However, the combined maximum amount of leave for any qualifying reason when this type of leave is taken in a single year is 26 weeks. This type of leave is not added on to the other 12 week entitlement; the leaves for any FMLA purpose run concurrently.

Up to a total of twelve (12) weeks of unpaid leave in a rolling backward 12 month period due to a qualifying exigency (necessity) arising out of the call to active duty of a spouse, child or parent is also available. Eligible employees may take leave while the employee's spouse, son, daughter or parent is on active duty or called to active duty status for one of the following reasons: short notice deployment; military events and related activities; childcare and school activities; financial and other legal arrangements; counseling; rest and recuperation for the servicemember; post-deployment activities; and additional activities as agreed upon by the employee and the Company.

When requesting leave or when the Company is attempting to determine whether an absence should be designated as FMLA, the team member must provide sufficient information to enable the Company to determine whether an absence may qualify for FMLA. In the case of an unplanned leave the team member must notify HR department within two days of the intent to file for FMLA. Otherwise the absences will be considered as non-FMLA.

Leave which is necessitated by a serious health condition of an employee or an employee's spouse, child or parent may be taken intermittently rather than continuously. Similarly, leave due to care for a covered servicemember, veteran or for exigent leave may be taken intermittently. Team Members who take intermittent leave for planned medical treatment are required to make a reasonable effort to schedule the treatment so as not to unduly disrupt the operations of the Company and are expected to arrange doctor's visits during non-work hours, if possible. Generally, you are expected to discuss the planned medical treatment appointments with the Company prior to scheduling the appointments.

If your need for intermittent leave only requires you to miss part of your work day, you are expected to work the remainder of your shift, whether before or after your period of intermittent leave. Under certain circumstances, employees using intermittent leave or reduced leave may be subject to temporary transfer to an alternate position for which the employee is qualified and that better accommodates the leave than the employee's regular position. Leave for the birth or adoption of a child may not be taken intermittently. Any necessary meetings to effect the adoption prior to the placement are covered.

Authorized absences for family or medical leave will not be considered as "occurrences" for purposes of the Company's attendance policies.

Team Members are required to follow the Company's established call-in procedures when they will be absent or late to work until such time as they are on an approved continuous leave of absence. Absent extenuating circumstances, employees who fail to follow the established procedure will be subject to disciplinary action, up to and including termination.

Using FMLA leave for any purpose other than its intended purpose will be considered grounds for disciplinary action up to and including discharge.

In accordance with the Company's policy prohibiting outside or supplemental employment during any leaves of absence, a team member who is on FMLA is similarly prohibited from engaging in outside or supplemental employment unless otherwise approved by the Human Resource Manager. Violations of this policy may result in discipline, up to and including termination of employment.

You may also be eligible for other forms of paid leave under other Company programs, including vacations, Short term disability or worker's compensation benefits. To be eligible for paid leave under any other Company policies, you must meet the eligibility criteria and provide any necessary documentation to the Company under the terms of that

particular plan or policy. You may elect not to apply for those paid leave benefits, and still be entitled to unpaid FMLA leave if you establish that you are eligible for such leave.

As a condition of receiving leave to care for a family member, you will be required to substitute for any of the twelve (12) week leave (or 26 week leave in the case of care of the servicemember) any paid leave time otherwise available to you. The remainder of the leave will be without pay. For any period of time where you are receiving paid benefits under other Company policies or worker's compensation benefits the substitution of paid leave will not be applicable.

Insurance coverage will be continued during the leave under the same terms and conditions as are then applicable to similarly situated employees who are not on leave of absence. To the extent that employees not on leave are required to make any co-payments to maintain insurance coverage, you will be required to make the same co-payments to maintain insurance coverage. If you are on unpaid leave upon your return to work you will be required to make double co-payments until your payments are current. No additional benefits such as holiday or vacation time will be accrued during the leave of absence. If you fail to return to work, and your failure to return to work is not due to the continuance or recurrence of a serious health condition or due to circumstances beyond your control, the Company may recover from you its share of the health care premiums paid on your behalf during the leave.

Whenever the need for leave is foreseeable, you must request the leave not less than thirty (30) days before the leave is to begin. Failure to submit the request at least 30 days in advance may result in the leave being delayed, and any absences that occur prior to the beginning of the leave will be counted as unexcused under the Company's attendance program. A written leave of absence should be submitted to the Human Resource Manager explaining the reason(s) for the requested leave, the anticipated length of the leave, and the starting and ending dates of the leave. If the need for leave is not foreseeable, you must give as much advance notice as is practicable and complete the written leave of absence form.

You will be required to produce medical certification, satisfactory to the Company, in support of the leave request, or during the leave, or as a condition of return to work at the expiration of the leave. The medical certification must be completed prior to the leave if the need for the leave is foreseeable, or as soon as practicable if the leave is not foreseeable (at least within 15 days of the date the employee receives the request for certification). It is your responsibility to have this form completed and returned within fifteen (15) days, and a failure to timely provide the required medical certification may result in the leave being designated as non-FMLA qualifying with the absences being counted as unexcused pursuant to the Company's attendance policy. You may be required to provide recertification verifying a continuing need for leave at various times by the Company. If you fail to timely return the completed recertification, the Company may proceed with the understanding that the absences in question are not due to a qualifying reason for FMLA leave, and the absences may be counted as unexcused under the attendance policy. If you fail to obtain your return to work fitness certification, your return to work may be delayed.

You may be required to submit to a second opinion under certain circumstances. If you fail to cooperate with the second opinion process, the Company may proceed with the understanding that the absences in question are not due to a qualifying reason for FMLA leave, and the absences may be counted as unexcused under the attendance policy.

If you find that you do not require the time originally planned for your FMLA leave, it is your responsibility to notify Human Resources immediately so that your return can be scheduled.

Upon the expiration of the leave, you will be returned to the job which you held prior to the leave of absence or to an equivalent position unless your position has been affected by a reduction-in-force or reorganization, or unless there are circumstances which would have led to separation absent the leave. If an employee fails to return to work at the conclusion of an unpaid FMLA leave the Company may proceed with the understanding that the employee has voluntarily resigned his or her employment.

It is intended that these guidelines concerning certain family and medical leaves of absence will operate as a supplement to other Company policies which appear elsewhere in this handbook. For example, leaves of absence longer than twelve (12) weeks and/or for reasons unrelated to childbirth, adoption or the serious health conditions of an employee or family member may be available pursuant to other Company leave or attendance policies. Whenever an employee is eligible for leave pursuant to the Family and Medical Leave Act, and is also eligible for another type of leave under different Company policies, it is the Company's intent that the leaves will run concurrently. The Family or Medical Leave will run the first twelve (12) weeks (or 26 weeks with regard to care of the covered servicemember) of the total leave. At the end of the twelve (12) week period, all rights under the FMLA, including reinstatement rights, will cease. Any employee who believes that his or her rights under this policy have been violated should immediately report this concern to the Human Resource Manager so that a proper inquiry can be undertaken. No employee shall be retaliated against for exercising rights under the FMLA.

#### **IV-4 Military Leave**

If you are a member of a reserve or National Guard unit and are required to participate in an annual two-week training period, Heritage will make up any difference between your normal straight time earnings and your military pay for that period.

It is your responsibility to notify your Supervisor of upcoming active duty as early as possible and to provide a written copy of your orders. Normally, we would expect at least thirty (30) days notice, with the exception of emergency duty.

#### **IV-5 Jury Duty**

If you are called for jury duty, the Company will make up the difference between your normal straight time earnings and the sum received for this service up to a maximum of ten (10) days a year.

To receive reimbursement, obtain a certificate from the court clerk stating the dates served and the amount of pay

received.

If you have questions regarding the jury duty policy, contact your Supervisor or Human Resource Manager.

#### **IV-6 Death in the Family**

If death should occur in your immediate family i.e., spouse, child, step-child, parent or step-parent, brother, sister, brother-in-law, sister-in-law, grandparent, grandchild, current spouse's parent, grandparent and grandchild, you may be given up to a maximum of three (3) days, normally from the day of death to the day of the funeral. Paid funeral leave is for time lost from your normally scheduled workweek, excluding Saturdays and Sundays. The Human Resource Manager must approve unpaid leaves beyond the 3-day maximum bereavement leave. If your regularly scheduled work shift is "A" shift, your Supervisor may authorize your absence the night of the funeral. This may be paid or unpaid dependent on whether that absence is included in the 3-day maximum or not.

Your pay will be for time lost due to the death and will not exceed (8) hours per day at your straight time hourly rate, provided you attend the funeral and bring documentation to your Supervisor when you return to work. You will not be paid for funeral leave on days for which you are otherwise compensated (holidays, vacation etc.). One of the 3 bereavement days must be either the day of death or the day of the funeral.

You may cancel a previously scheduled vacation day(s) if a death in the family occurs and bereavement days are taken.

All applications for bereavement should be brought to the supervisor. Once the funeral arrangements have been scheduled the team member must contact the Human Resources manager for authorization of the number of days off that can be allowed.

We normally expect people to return the day after the funeral.

#### **IV-7 Returning from Leave**

Leaves of absence are intended for your convenience, but they must be used for the purpose specified. Falsifying information regarding your leave of absence or not returning to work at its expiration may be cause for termination.

Returns from medical leave require a release from your attending physician. Heritage reserves the right to schedule an independent medical evaluation and apply the standards of health and physical fitness required of a new team member.

If you are able to return to work before your leave of absence expires, please notify your Supervisor and Human Resources Department prior to returning to work so that the necessary arrangements can be made.

Every effort will be made to place you in your previous position upon return from a leave, provided your leave is less than 12 weeks. If your absence is longer than 12 weeks, your job placement will be subject to whatever position is deemed available in your department and classification. If you do not work 10 consecutive days before going back out on a leave the days missed will be added to the previous leave.

Refer to Section V-5.2 for returning to work with restricted duty.

#### **V-1 Violation of Work Rules**

The work rules set forth below have been established by Heritage to ensure that all team members are provided with a safe, orderly and productive work environment. They describe certain acts that have been determined to be violations of acceptable work behavior. You are expected to carefully read these rules and to conduct yourself accordingly.

Heritage will endeavor to follow the procedures set forth below for all team members. Alleged violations of the rules will be investigated to see if they are supported by the facts. You will be given the opportunity to present your side of the story before final disciplinary action is taken. When it is determined that the work rules have been disregarded or violated, you will be subject to one of the following forms of disciplinary action: this may include documented verbal warning, a written warning, disciplinary leave or discharge.

##### **Please Note:**

These work rules do not constitute an exhaustive list of all of the acts that will subject a team member to disciplinary action. No set of work rules can cover all situations and the penalties may be waived or increased depending on the particular facts involved. They do cover the most common types of employment misconduct. Cases of unacceptable work behavior not covered by these rules will be handled on an individual basis, subject to such penalties, as your Supervisor may deem appropriate for the type of misconduct involved.

Also, you should note that an accumulation of offenses over a period of time that have not been corrected, even though unrelated and even though each resulted in only a documented verbal or written warning, establishes a general pattern of substandard conduct. Accordingly, it is Heritage's policy that a team member who has been disciplined on three (3) occasions during any twelve (12) month period may be discharged, whether because of specific work rule violations, unsatisfactory job performance, other misconduct or any combination thereof.

Every discharge case will automatically be reviewed by the Senior Management Committee before the discharge becomes final.

#### **SECTION I**

Team members who commit any of the following acts, which have been determined to be serious violations of acceptable work behavior, will be subject to discharge for the first offense.

1. Insubordination, including failure or refusal to promptly carry out the orders or instructions of any Team Leader, Supervisor, or member of Management while on duty or on Heritage property.
2. Provoking or engaging in a fight, resulting in physical confrontation while on duty or on Heritage property.
3. Threatening physical harm to a member of management, team member, customer or supplier.
4. Directing profane, abusive, insulting or threatening language at a Supervisor, Team Leader, and member of Management, customer or supplier.
5. Destruction, damage or abuse of Heritage property or the property of other team members.
6. Theft of Heritage property or the property of other team members or the unauthorized use or possession of any such property.
7. Possession, display or use of explosives, firearms or other dangerous weapons while on duty or on Heritage property. An exception to this rule under Indiana Law does allow team members to bring lawfully possessed firearms and ammunition onto Heritage property as long as the weapon is kept out of sight and locked in the Team Member's vehicle. The weapon cannot be loaded while on Heritage property. The vehicle in which the lawfully possessed weapon is locked in must be the team member's vehicle.
8. Using, possessing, selling, distributing or being under the influence of alcoholic beverages, illegal drugs or criminally controlled substances while on duty or on Heritage property.
9. Commission of any criminal offense (other than a minor traffic violation) while on duty or on Heritage property or commission of any criminal offense which might adversely affect the team member's work or work relationships or Heritage business or reputation. Team member absences due to being jailed will be treated as an absence occurrence.
10. Misrepresentation or omission of material facts on an employment application or any other document used to secure or retain employment with Heritage.
11. Acts of dishonesty, including falsification or alteration of time sheets, production records or any other documents used in connection with work.
12. Punching/marking another team member's time card or having another team member punch/mark your time card.
13. Failure to report to work on three (3) consecutive working days without notifying your Supervisor or the Human Resource Department. (Under these circumstances, the team member will be deemed to have voluntarily quit employment with Heritage.)
14. Overstaying a leave of absence without written authorization from Heritage.
15. Encouraging or engaging in any unprotected work stoppage, walkout, slowdown of work or any other activity designed to restrict or delay the production, shipment, delivery or receipt of goods or services by Heritage.
16. Engaging in acts of harassment, sexual or otherwise, while at work or at any company-sponsored activity.
17. Sleeping while at work (other than at break or lunch period).
18. Leaving the plant during working hours without first securing the permission of your supervisor

## **SECTION II**

Team members who commit any of the following acts, which have been determined to be violations of acceptable work behavior, will be subject to corrective disciplinary action through the procedures established for performance management.

1. Exceeding time limits on break or meal periods or taking break or meal periods other than the designated times without proper authorization.
2. Stopping or leaving your work area before the end of scheduled work period without proper authorization.
3. Loitering on Heritage property.
4. Loafing or wasting time during a scheduled work period.
5. Using work hours for personal matters. This includes making or receiving non-emergency personal telephone calls during scheduled work periods.
6. Directing profane, abusive, insulting or threatening language at a team member.
7. Creating disharmony among team members or interfering with other team members on the job.
8. Violation of Heritage rules regarding solicitation and distribution of literature.
9. Posting materials on bulletin boards without the written approval of the Human Resource Department or removing management authorized materials posted on the bulletin boards.
10. Failure to observe safety rules, for example: (not wearing safety shoes, safety glasses or other required safety equipment), regulations or engaging in any other unsafe or unhealthful conduct.
11. Having or allowing unauthorized or unregistered visitors in the building.
12. Failure to follow security rules, regulations or procedures or to cooperate fully in security checks.
13. Engaging in conduct, which violates Heritage's policy concerning business ethics and conflicts of interest.
14. Failure to immediately report any work-related injury or accident, no matter how minor, to your supervisor.
15. Failure to provide adequate and acceptable verification of illness or injury, or substantiating documentation for

15. Failure to provide adequate and acceptable verification of illness or injury, or substantiating documentation for absences due to other reasons when required by your Supervisor or the Human Resources Department.
16. Unauthorized entry into designated limited access areas.
17. Poor workmanship, low productivity or substandard performance.
18. Smoking or chewing Tobacco in areas that are not designated for that purpose.
19. Abuse of the time clock.
20. Eating or drinking in the plant.
21. Radios, TV's and personal reading material are not allowed in any work area.

## **V-2 Performance Management and Disciplinary Procedures**

The following procedure is designed to improve team member performance. This procedure, however, does not apply during the first six (6) months after the start of employment.

The counseling process is meant to help resolve performance problems. Through counseling, minor problems can be resolved before the formal discipline process becomes effective.

In summary, through counseling, team members should:

1. Understand the performance expectation and the necessity of meeting it,
2. Understand that a problem exists and the actions necessary to correct it and
3. Have had the opportunity to present his/her point of view.

A problem that is discussed in this way can be resolved early. If the problem continues, however, formal discipline procedures must be taken.

### **A. Documented Verbal**

The documented verbal is a conversation between the team member and his/her Supervisor about a continuing performance problem. A continuing performance problem is one that is recurring and informal discussions between the Supervisor and the team member have not resolved the problem.

A documented verbal works as follows:

The Supervisor calls the team member in for a talk. This discussion is conducted privately and is kept confidential.

The Supervisor identifies:

1. The problem,
2. What must be done to correct the problem and
3. What will happen if the problem is not corrected?

It is the team members' responsibility to tell his/her Supervisor what assistance may be needed to correct the problem. A disciplinary report which documents this discussion is prepared by the Supervisor, signed by the team member and a copy of the report will be placed in your personnel file. The team member should also feel free to ask the Supervisor how he/she is doing. If the problem is corrected and does not recur in the following six (6) months, the report will be considered inactive except for consideration as provided under Section V.I.

### **B. Written Warning**

A written warning is used if the documented verbal has not brought about the desired performance change, or when more serious violations occur.

A written warning works as follows:

The Supervisor calls the team member in for a talk. This discussion is conducted privately and kept confidential.

The Supervisor identifies:

1. The problem,
2. What must be done to correct the problem and
3. What will happen if the problem is not corrected?

After this discussion, the Supervisor will prepare a disciplinary report documenting:

1. The problem,
2. Actions agreed upon to correct the problem and
3. What will happen if the problem is not corrected?

The team member will be asked to sign this report, acknowledging receipt. A copy of the report will be given to the team member, and the original will be filed in your personnel file.

The Supervisor should provide the team member feedback. You should feel free to ask your Supervisor about your performance. After six months of performance without incident, the disciplinary report regarding this matter will be considered inactive except for consideration as provided under Section V.I.

### **C. Disciplinary Leave**

The disciplinary leave is one (1) to three (3) days' unpaid absence from work. During that time, the team member should give serious consideration to whether or not he/she wants to continue working for Heritage, abiding by all Company rules and meeting all performance expectations.

The disciplinary leave is appropriate when the written warning has not brought about the desired performance change, or when a serious violation has occurred.

The Supervisor will confidentially discuss the following with the team member:

1. The problem,
2. What must be done to correct the problem and
3. Why a disciplinary leave is being given. The Supervisor will then inform the team member of any conditions of employment which must be met should the team member decide to remain with Heritage.

The Supervisor will then document this discussion on a disciplinary report, ask the team member to sign it, acknowledging receipt, and then give a copy of the report to the team member. You will be asked to spend the time away from work to make a decision about continuing employment at Heritage.

If the decision is made to continue working for Heritage, upon returning to work, the team member must give his/her Supervisor a written statement of this decision. The written statement should also indicate the action that will be taken to correct the problem.

The Supervisor will confirm action(s) that will be taken.

The team member's statement will be placed in your personnel file.

The team member's performance will receive increased monitoring for a period of twelve (12) months.

#### **D. Discharge**

Discharge is used when disciplinary leave has not brought about the desired performance change, or when a serious violation has occurred.

Your Supervisor or Department Manager will confidentially discuss the reasons for discharge with you, document the reasons on the discharge report, ask the team member to sign it, acknowledging receipt and give a copy to the team member.

The discharge will be reviewed by the Senior Management Committee before it becomes final. All discharged team members will have an exit interview with the Human Resource Manager.

All documentation, investigation and interview information will be placed in your personnel file.

#### **V-3 Reporting of Absences and Tardiness**

Heritage does not hire more team members than needed to meet our schedule demand. Because of this, any absence generally requires that department supervision make alternate plans and temporary changes to continue to meet requirements. When temporary changes are made, fellow team members become involved and generally perform work on which they are less familiar and less productive, and in many cases overtime is required. The following policy statement is intended to clarify the actions necessary to avoid undue hardship for other team members caused by your absence.

If you know in advance you are going to be late or absent from a scheduled shift, you are to advise your Supervisor at least thirty (30) minutes before the start of the shift so that your position can be filled if necessary. In the event there was no prior knowledge of absence or tardiness, you must notify your Supervisor by calling (765) 364-9002 or (765) 364-5485, prior to the shift or as soon as possible. You must call in for each absence unless you are on approved leave.

When reporting an absence, be sure to include:

1. Your Name
2. Work area
3. Your Supervisor
4. Reason for the absence
5. Expected date of return

#### **V-4 Attendance**

You were very carefully screened, interviewed and selected as a Heritage Team Member based upon many important factors. One such factor is attendance. We define proper attendance as: Being here on time, all day, every scheduled workday and leaving and returning from scheduled breaks promptly.

While this is a simple definition, it describes an ideal situation that is sometimes unattainable.

We all know that an occasional absence may be necessary, but remember your absence does have a direct effect on the lives of other team members.

As a result of excessive absenteeism, tardiness and/or leaving early, disciplinary action may be required and will be based on frequency of occurrences in accordance with the following:

Any time that you are absent from work is considered an occurrence for absenteeism purposes.

Exceptions: Absences for any of the following reasons shall not be considered an occurrence providing proper documentation has been submitted.

1. Industrial injury (ordered off work by a doctor)
2. Hospital confinement (admitted in patient) anytime during the absence occurrence
3. Vacation and holiday
4. Jury duty, subpoenaed witness or non-fault summons
5. Military leave
6. Bereavement
7. Outpatient surgery

- A. Prior notification if possible
- B. Non-cosmetic unless medically necessary Approved medical leave
- 8. Approved medical leave
- 9. Reoccurring illness due to medical leave
  - A. Requires Doctors confirmation
  - B. Must be within three months of the leave
- 10. Emergency snow days (even if before or after a holiday)

11. Volunteer fire fighting activity, provided prior written notification has been submitted to HPI by the team member that he/she is a volunteer fire fighter. When the Team Member returns to work they will be required to submit a signed note from their commanding officer that they were involved in a firefighting or emergency situation for the time period that they missed. This is per Indiana Codes 36-8-12-10.7 and 36-8-12-10.9

The first two (2) times in a year that a Team Member is late up to 20 minutes will not be considered an occurrence, including before or after a holiday.

Team members who report to work late (up to and including 4 hours) or who leave no more than 4 hours before the end of the shift (with Supervisor's permission) will be charged with one-half of an absence occurrence for either of these situations. Any time longer than 4 hours will be considered one occurrence. Also leaving shift and returning in less than 4 hours still 1/2 point.

Team members, who are scheduled for 10 hours, must work all but 4 hours of that shift to receive a 1/2 point.

Team members that are absent without call-in during the first 2 hours of their shift will be charged with two (2) occurrence of absence for the occasion.

Absence records will be maintained from the team member's first occurrence of absence, tardiness or early departure.

The following actions will be administered according to the number of accumulated occurrences:

- Two points: Two point notice
- Four points: Four point notice
- Six points: Disciplinary leave (without pay) Time away from work may be suspended
- Six points four (4) times: Discharge
- Eight points: Discharge

If you agree to work overtime when asked, and then cannot report for the overtime work, such absence will count as an occurrence.

Points will be given for absences due to court appearance that the team member could have avoided; such as being charged and convicted for public intoxication, D.U.I., shoplifting, etc. If the team member were found innocent of the charge, no point would be given.

Three (3) consecutive workdays of absence without notifying your Supervisor will be considered a voluntary resignation.

If you are absent from work because of non-work related illness or injury for more than five (5) consecutive workdays, you must make application for a medical leave of absence. Team members will be allowed to miss work from one and a half to two consecutive workdays for any reason without a doctor's statement one time during a rolling twelve (12) month period and be charged with one (1) point/occurrence. All further absences of more than one (1) day to five consecutive days by the team member, must be accompanied by a doctor's statement for the team member or the team member will be assessed one half (1/2) point/occurrence for each half day absence and one (1) point/occurrence for each day they are absent. If a paid day separates the absences; it will be considered two (2) occurrences unless there is a doctor's statement presented to the Supervisor.

Your attendance record will directly affect your performance review.

Any time a team member's absence rate exceeds 10% of the scheduled work days over a rolling 36 months of service with Heritage Products the individual will be subject to review by the Senior Management Committee. In each case the team member is carefully reviewed to determine what action, if any, should be taken. Repeated or extended absences may be grounds for disciplinary action up to and including termination from Heritage Products. (2 point penalty for NC / NS is separate penalty from regular attendance point system)

#### **V-4.1 Attendance Point Reduction Program**

As our no-fault attendance point system indicates we view your attendance as very important to all team member's success. We also understand that every team member may, at some time, receive points so we have an attendance point reduction program in order for you to have a method to "erase" any attendance points.

For each period of 40 continuous workdays of perfect attendance, after receiving a point under the no-fault attendance program, a team member will have the oldest full occurrence deducted from his/her record. If the oldest occurrence is 1/2 of an occurrence then 1/2 of the next oldest occurrence will also be deducted.

Perfect attendance is defined as not having any absences, tardiness or partial absences for any reason from a scheduled workday, except as described in section **V-4 Attendance**. (Revised 11/17/08).

Team members earning a one (1) year perfect attendance award will have their entire attendance record cleared

of all entries and start new.

A team member may have no less than 0 occurrences on their record.

Six Point Review

- (a) Team members will receive a senior management committee review of their attendance record following their first six (6) point accumulation. The committee may reduce the team member's total accumulated points by two (2) points maximum. The established disciplinary leave (without pay) will be issued if no reduction is approved.
- (b) Team members that reduce their accumulated point total to zero (0) following a six (6) point review will earn a review for their next six (6) point accumulation.
- (c) Team members will receive a second six (6) point review if it has been five (5) years since their previous six (6) point review. This will also start the disciplinary process over from the beginning.
- (d) b and c only guarantee another review, not point reductions, so team members are encouraged to supply documentation for all absences and tardiness.
- (e) Team members will be required to confirm all occurrences and documentation are correct by signing the attendance review form before the Senior Management Committee will review their attendance.

#### **V-4.2 Perfect Attendance Award Program**

The purpose of this program is to recognize those individual team members who have made the effort to be on the job each workday for a twelve-month period of time.

All hourly team members will qualify for perfect attendance recognition. Days missed which goes toward a team member for perfect attendance are: Vacation, paid funeral leave, paid jury duty, paid military leave, holidays and plant shutdown. Days missed due to worker compensation will be skipped over without breaking the perfect attendance count. Also a team member may be tardy up to two (2) times as long as neither time exceeds 20 minutes. Absences/tardiness due to FMLA or short term disability leaves stop perfect attendance and you must start the cycle over again.

A team member who misses a day will begin to accrue perfect attendance credit on the following day. The team member who achieves perfect attendance for a year will receive one of the following payouts depending on their length of time with perfect attendance. If award is in November or December, team member may take any time in the next year. Multiple days in October will be decided by Senior Management. One year: \$100, Two years: \$200, Three years: \$300, Four years: \$400, Five years: \$500.

The team member can take the cash award, equivalent vacation time or a combination of both.

#### **V-4.3 Severe Weather and The Attendance Policy**

The Management Committee will determine whether an absentee point will be given because of severe weather based on the following:

1. How many team members were affected
2. Weather reports
3. Reports from team members about road conditions
4. Reports from county and state road crews

Whenever a Snow Emergency is declared in Montgomery County, absentee points may not be assessed for team members who are late, absent or leave early, during the team member's shift.

All other attendance concerns will be addressed the next business day.

In the event a Snow Emergency should strike before or after a holiday, team members affected will get their full-entitled holiday pay.

Other weather concerns before or after a holiday will be decided the next business day.

If the decision were made not to assess points the team members affected would receive their entitled holiday pay.

Should the decision be made to assess points the effected team member's holiday pay could be partially or completely affected depending on the circumstances.

Team members should listen to the radio stations WCVL-AM 1550, WIMC-FM 103.9, and WCDV-FM 103.1 for Snow Emergency information. (If snow emergency we have given T/M option to use vacation. 2/14/07)

#### **V-5 Job Assignments**

The relationship between you and Heritage is that of a long-term commitment. In today's world where the progress of technology is rapid, and the changes in market demand are unpredictable, we must always be receptive to new methods, training and techniques. To this end, Heritage accepts the responsibility to offer you the training required in order to expand both knowledge and experience.

Within Heritage, you may be rotated to different jobs in order that you become trained on various operations that will make you more flexible and versatile. At the same time, such rotation will help reduce the possibility of boredom setting in on your job.

Your assignments may also include special duties at locations outside of Heritage, such as vendors, special schools, affiliated companies, testing centers, customers or similar locations.

### **V-5.1 Filling of Clerical Job Opening**

When a clerical job opening exists, the Department Manager will submit the qualifications of the job and the pay level to the Human Resource Manager for seventy-two (72) hours posting in the plant. Any team member wanting to be considered, and possibly interviewed for the position, will complete a resume briefly describing their qualifications for the opening and turn it in to the Human Resource Manager during the seventy-two (72) hour posting period. The Human Resource Manager will deliver all resumes to the person interviewing applicants for the open job.

The interviewing staff person will normally interview those current team members along with anyone being considered from outside the company. The decision on who will be offered the position will be made based upon the most qualified candidate.

### **V-5.2 Restricted Work Assignments**

Whenever possible Heritage Products Inc. will provide work on a temporary basis to team members who sustain a work related or non-work related injury or illness. Such offer of work will be reviewed on a case-by-case basis taking into consideration the work available, the work restrictions mandated by the team member's physician, and the time frame for which the restrictions have been applied.

### **V-6 Establishment of a new shift**

If and when it becomes necessary for Heritage to establish a new shift, those working in the department will be divided into two (2) or three (3) groups depending on whether a second or third shift is being formed. While team member's shift preference will be considered, this division will be made in a manner to ensure an equal level of experience in each group. Normally, some new team members will then be assigned to the department and divided equally among the groups.

### **V-7 Shift Transfer and/or Job Change**

In order to allow team members to change jobs and/or shift, the following job bid procedure will be followed:

When a job position is vacant, the notice of such vacancy will be posted on the bulletin board to allow eligible team members to bid for the opening. All jobs in "A", "C", "E1" and "E" are considered classified positions and are subject to bidding.

When an opening becomes available, the manager may request that the Human Resource Department prepare and post a job opening notice for the vacancy. Team members who are interested and eligible will have seventy two (72) hours in which to complete and sign a job bid request for the opening.

When a team member is awarded a job bid, that team member will be required to accept or reject the job bid. If the team member rejects the job bid they forfeit any job movement for six (6) months from the refusal date except to bid for a higher position. Notice of the award will be posted on the bulletin board. Team members will normally be placed in the new position within thirty (30) calendar days following the bid acceptance date. If a team member, after thirty (30) days, cannot fill the new position's requirements (as determined by the Supervisor) that team member will be placed in a "work pool" until another position can be found or becomes available.

Recognizing that team member should be permitted to improve their earning position through promotion, they may bid at any time for a higher pay position.

It is the responsibility of each team member to submit a job bid request form to their Supervisor on any position they are interested in. If you are on vacation, bereavement or any leave of less than 12 weeks, you should notify your Supervisor, in writing, of any positions you would bid upon if they come open during your absence. You must be able to return to work to fill the new position within 30 calendar days of the acceptance date. If your leave is longer than 12 weeks you will not be able to bid until you return to work. Within 2 days of submitting a job bid request, the team member will receive a copy signed from the job opening Area Manager.

If no qualified team member bids for a position, Management retains the right to assign a capable team member with the least service in the department or to hire a new team member into the opening. Team members that are assigned will not be locked into that position.

Team members are not eligible to bid during their first six (6) months of employment.

Team members are not eligible to bid if it violates section VIII 3 "Employment of Relatives" portion of the Heritage products Handbook.

In the event of equal plant service dates the tiebreaker will be alphabetical order by the team member's last name at the time of hire.

Any movement in job classification, shift change, or department change will lock that team member for six (6) months from all bidding except promotions.

In addition to promotions, team members may want to move laterally or downward in position to obtain a shift preference or a different department. In order to ensure that plant efficiency is not seriously impaired team members may make the following moves.

"A" positions All "A" positions will be awarded to the team member with the most plant service within the

classification and or department who is eligible to bid.

If there are no eligible bidders within the department, then the bid will go to the team member with the most plant service outside the department.

"C", "E1", "E" positions All "C", "E1", "E" positions will be awarded to the team member with the most job classification service in the department who is eligible to bid. "E1" and "E" level positions will be considered the same for department classification seniority only. This means that when a team member is awarded an "E1" level position their classification seniority starts at that time. If at a later date the same team member is then promoted to the "E" level their classification seniority does not reset or start at zero. Their classification seniority remains the date that they initially became an "E1".

Since these positions required additional skills and abilities they require management evaluation in awarding these jobs. The evaluation methods may include written test(s), skill test(s), and personnel records attendance records interviews, and plant service date.

If no team members within the job classification bid on the position, or if other bidding team members' skills and abilities are not adequate management retains the right to search for a qualified team member from the outside.

When an initial opening occurs, it usually creates a sequence of openings as team members bid from one position to another.

This sequence usually will end with the third posting unless it opens a "B" shift position, "C" or higher classification in which case another posting may be used.

Heritage Products has implemented procedures to reduce mistakes on awarding positions to team members who are not eligible to bid. If a mistake occurs and is discovered before the team member is moved the necessary corrections will be made. If the team member has already been moved to the new position, team members may be allowed to remain in that position.

(People with restrictions are not able to bid unless they will be off their restrictions within 30 days)

#### **V-7.1 Procedure for completing Job Bid Request:**

Print your full name badge or clock number and the number of the bid you are requesting. The bid number 7 digits, is located at the top of the posting sheet. You should also list the position and shift on the request form. After the bid number, to reduce confusion when we sort the bids.

When all the information is completed. sign and date the request. Give it to your Supervisor to sign and forward to the Department Manager for which the job is posted. The Department Manager will sign and date the job bid to acknowledge the receipt of the bid, and return a copy to you for your records the individual awarded the bid will need to accept or reject the bid and sign below their choice to complete the process.

#### **V-7.2 Temporary Shift Change**

If there are two team members within the same department classification, skills and ability that work on different shifts we will permit a shift change if they meet the following guidelines:

- A) Both team members must have 6 months seniority with HPI and have been in their current position for a minimum of 6 months. (Unless as described in "J" and "K" below) 9/12/2007
- B) A team member submits his/her request using the company form.
- C) The team members making the request must be reasonably equal in their skills and ability (includes physical ability).
- D) If one team member is put on restrictions, leave, is terminated, quits, or accepts another job bid then the team member(s) must go back to their previous shift
- E) If either team member is not satisfied with the change both team members must return to their previous shifts.
- F) Shift changes are for a maximum of six months from the effective date (start date). After six months both team members must return to their previous shifts.
- G) The same two team members cannot consecutively trade shifts with each other during a twelve-month period from the first effective date.
- H) The manager of the department will approve the request and effective date.
- I) Vacations may need to be resubmitted to make sure department vacation policies are met.
- J) Within the first six (6) months of accepting a job bid, the team member can request a temporary shift change only when a written reason is provided for the shift change and it is subject to management for approval.
- K) Any consecutive temporary shift change, which is defined as less than 6 months from the completion date of the previous shift trade, (back to back) will require written reason for the shift change and is subject to management approval. 9/12/2007

Both team members must sign the shift change request and give it to their supervisor(s) for the necessary approvals.

#### **V-8 Team Member Concern Procedure**

Heritage Products has an open door policy to ensure that all levels of management are available to listen to all team member complaints, questions or suggestions at any time. The best solutions are those worked out between team

members and their immediate supervisors. Occasions may exist, however, when a team member and a supervisor cannot resolve a concern or when the Supervisor/Manager is part of the concern. This Team Member Concern Procedure provides all team members hourly and salaried the opportunity for review by other management and your co-workers through the Peer Review.

Supervisors are the key to the open door process. The open door approach to resolving concerns and complaints works only when team members feel they will not be penalized for expressing their concerns. The Managers and Supervisors have a special responsibility to guard against taking retaliatory action and strive to develop a trusting environment that encourages honest and open communication. Towards this, Supervisors should:

1. Encourage open communication among themselves and those they supervise;
2. Encourage a team member to discuss the concern with the next level of management if the employee is dissatisfied with the Supervisor's decision.
3. Ask for help from the next level of Management or Human Resources if unable to resolve the concern.
4. Avoid being defensive; and never retaliate.

To provide certainty and uniformity under this procedure, concerns should be brought to the appropriate Supervisor and/or Manager's attention preferably within two weeks of the incident or event-giving rise to the concern. The procedure for resolving these timely concerns are outlined below, with the exception of a suspension of a team member pending recommendation for discharge. In such a case you may fill out the "*Request for Peer Review*" form within the 24-hour cool-off period.

Step 1 - Meet With Supervisor. Team members are encouraged to meet with their Supervisors to define and discuss any work-related concerns. We believe most problems can be resolved at the supervisory level. If the team member is dissatisfied with the Supervisor's response or decision, or if the Supervisor/Manager is the concern, the employee may present the concern to the Department Manager and/or the Human Resource Manager. Human Resources may be involved by the Team Member, Supervisor or Department Manager.

Step 2 - Fill Out The Current Team Member Concern Form. If the concern has not yet been resolved after Step 1, the team member may request in writing his/her concern on the three (3) page NCR Team Member concern. The team member will keep the employee copy for their records and put the remaining copies in the mailbox for the Human Resource Manager. The remaining (2) copies will stay together until the concern has been completed and returned to Human Resource Manager. The Human Resource Manager will keep one copy for the company records and return the copy one to the team member.

The team member must check either the Department Supv./ Mgr. section on the envelope or mark the President "Personal" meeting requested section at this time. The Human Resource Manager will check, record and distribute all requests daily. The Team Member concern form will be numbered for recording and accountability.

- A) If the Department Supervisor/Manager section is checked the Human Resource Manager will record the tracking number, description, date, and give the other two copies to the area Department Manager. The Department Manager must complete and return to the Human Resource Manager in three (3) working days. The Human Resource Manager will record results. If it has not been resolved the team member may request a Senior Management Committee review with or without the team member in attendance.
- B) If the request for meeting with President "Personal" section is marked, the Human Resource Manager will record the Ref.# (number) only from the envelope and give to the President. After the team member meeting with the President it is the President's responsibility to give the response to the Human Resource Manager, who will return it to the originator unopened. The president will keep confidential to the best of his ability with the understanding that the concern will probably be translated and the President retains the right to get opinions from other Managers or the Senior Management Committee.

Step 3 - Senior Management Committee. If the concern has not been resolved in (A) above the Human Resource Manager will call a Senior Management Committee meeting to review the concern within two (2) working days.

Step 4 - Peer Review Committee. If within two (2) working days after receiving Senior Management Committee response the team member feels the concern is not resolved, and believes the concern is a possible violation of current policy, or the policy has not been followed consistently, the team member may fill out a Peer Review form. In completing the Peer Review form, the team member should include a brief summary of the alleged rule violation. The Human Resources Manager will call a Peer Review committee meeting within two (2) working days. The committee will be composed of the following:

1. The Human Resources Manager will co-ordinate the random selection of 9 team members consisting of 7 hourly and 2 salaried. There will be 3 new committee members selected every 3 months to serve a total of 9 months. Every 3 months there will be a sign up sheet posted and the 3 most senior members will pull names by random draw and step down from the committee.
2. Any committee member that feels too close to a particular situation can decline involvement in that peer review.
3. Both parties may request that one person from the review committee not be involved if they feel it is necessary.
4. In situations where there is more than one party involved, all parties will present their case to the committee at the same time unless a team member requests otherwise.
5. There will be a 24-hour cool-off period before the peer review meets if the team member has been suspended pending recommendation for discharge. The Senior Management Committee will wait the 24-hour cool-off period

before making the final decision. If the Peer Review is requested the final decision will be made after the Senior Management Committee receives recommendation from the Peer Review.

6. There shall be a minimum of (6) six committee members present to conduct a review.

The Peer Review Committee shall proceed informally, permitting the opportunity for examination of all participants. The resolution of the concern will be based on the information gathered during the meeting. A team member selected from the Peer Review Committee will report their recommendations to the Senior Management Committee. The Peer Review Committee may recommend that a task force be assigned to review the concern.

Step 5 - Senior Management Committee. The Senior Management Committee will meet within two (2) working days following the Peer Review Committee meeting. They will evaluate the views of the affected employee, the supervisor, and review the recommendations of the Peer Review Committee. The Senior Management Committee will reach a decision and communicate it to all parties involved or organize a task force for review.

The Senior Management Committee, or a representative of, will meet with the Peer Review Committee within two (2) working days if their recommendations are not accepted in full.

The Senior Management Committee's decision will be final and binding.

### **V-9 Solicitation and Distribution of Literature**

In order to provide a more orderly work environment, to prevent work interference, and to protect you from annoyance, harassment and unnecessary burdens, Heritage has adopted the following rules concerning solicitation and distribution of literature:

- 1) You shall not solicit other team members on behalf of any cause or organization at any time while either team member (i.e., the one doing the soliciting or the one being solicited) is on working time. Working time does not include lunch or rest breaks.
- 2) You shall not distribute literature of any kind in working areas.
- 3) Non-team members shall not be permitted to distribute literature or solicit team members at any time on company property.
- 4) All postings must be approved by the Human Resources Manager.

### **V-10 Garnishments**

Heritage considers your financial affairs as personal and confidential. However, if you are experiencing financial difficulties, you are encouraged to discuss the situation in confidence with the Human Resource Department prior to having your wages attached through wage assignments or garnishments. Such actions are expensive and embarrassing for both you and Heritage, and can also damage your credit rating. Excessive attachments or garnishments may also jeopardize your future employment with Heritage and should therefore be avoided.

### **V-11 Substance Abuse**

A reasonable and effective Drug and Alcohol Policy is necessary to safeguard our Team members' rights using the following policy and procedure.

#### 1. Provisions of The Policy

- A. Possession, transmittal or use of illegal drugs (controlled substances) on Company property (inside or outside of the building), or in Company vehicles, or while "on the clock" or otherwise engaged in Company business, is prohibited.
- B. Team members are prohibited from using alcoholic beverages during working hours, or reporting to work or working while under the influence of illegal drugs or alcohol.
- C. Legal prescription drugs may only be brought to work or onto Company property by the person for whom the drug was prescribed, in the current prescription container. Team members are prohibited from reporting to work or working while under the influence of a legal prescription drug that will impair the team member's ability to work safely. It is the team member's responsibility to consult with a physician and notify supervision of any restrictions, safety risks, or any impairment that may occur.
- D. The Company may require a team member to submit to a drug or alcohol testing procedure where reasonable cause exists to believe that a team member is in violation of paragraphs B or C above.
- E. Testing will be conducted by qualified medical personnel, at a facility approved for such testing by the State of Indiana, with due regard for protection of team members privacy. An initial screening test (EMIT) and a confirmatory test (GC/MS) will be used.
- F. In the event of a test, a team member shall be deemed to be in violation of this policy (1) with respect to **drugs**, if a test result is above the cut-off level used by the United States Department of Transportation (DOT) for commercial driver testing or (2) with respect to **alcohol**, if the team member has a blood alcohol level which meets or exceeds **.04%**. **(change approved 10/1/08)**
- G. Searches of company property, or team member property located on or in company property, may be conducted if reasonable cause exists to believe that a team member has violated the prohibition against possession or transmittal of alcohol or drugs as described in paragraph A above. A team member's vehicle will not be searched without a warrant or consent of the team member.

- H. "Reasonable cause" for testing under paragraph D above will include the following:
- a. Confirmed possession of drug paraphernalia or alcoholic beverage containers in the workplace or on company property,
  - b. Agreement by a Manager and a Supervisor that the team member is exhibiting behavior or physical symptoms customarily recognized as being associated with intoxication or drug use.
  - c. Agreement by a Manager and a Supervisor that testing should occur before being released to return to work after an OSHA recordable job related accident that required medical care, or an accident that involves property damage. Such test must be administered within the 24-hour period following the accident or incident.
  - d. Team members who reach 6 points **(for the 1<sup>st</sup> time)** under the Attendance Program, non-exempt salaried team members who are absent 10 working days in a rolling 1-year period and exempt salaried team members who are absent 5 working days in a rolling 1-year period; **(Change approved 12/1/08)**
  - e. Report from a reliable witness of drug or alcohol use at work, but only after a Manager and Supervisor have carefully investigated the report and confirmed the report with independent information.

## 2. Violation of The Policy

- A. Violation of this policy may result in discipline, including termination of employment, and/or participation in a monitoring program, based upon the following guidelines:
- a. Violation of 1.A = Discharge,
  - b. Violation of 1.B = Discipline up to and including monitoring program;
  - c. Violation of 1.C = discipline up to and including monitoring program.
- B. Testing and Monitoring Program
- a. A team member asked to submit to a test under this Drug & Alcohol Policy will be provided a consent form authorizing the test and releasing information to management. Refusal to sign the consent or a positive test result will trigger a two-day unpaid suspension and the team member will be required to agree in writing to participate in the monitoring program. Refusal to agree to the monitoring program following a request for agreement by the company will result in discharge; provided, a team member who has initially refused will be told that refusal will result in discharge, and the team member will be asked a second time to agree to the monitoring program.
  - b. When the team member's condition raises concern over the safety of permitting a return to work, then a release from a health care provider approved by the company, may be required as a condition of permitting the team member to return to work following the suspension under the monitoring program. Failure to provide such release within the suspension period is grounds for discharge.
  - c. Participation in the monitoring program will be for 365 calendar days, during which the team member will be subject to unannounced testing for alcohol and substance abuse. There will be a minimum of 30 calendar days from the start of the monitoring program until the first test. If Management has reasonable cause to believe the team Member is under the influence of alcohol or drugs while on company property during the 30-day waiting period, the team member will be asked to submit to a test for alcohol or drugs. If the team member refuses to submit to the test he/she will be suspended without pay, until an acceptable release from a health care provider is presented to the company. If the team member submits to the test, the team member will be suspended pending the results of such test. If the test results are positive the team member must acquire an acceptable release from a health care provider, before being permitted to return to work. If the results of such test are negative, the team member will be permitted to return to work and the monies lost due to the suspension will be paid. In all cases where a team member is required to provide a release from an authorized health care provider, the Human Resource Department will lend assistance in scheduling such appointments so as to minimize any delays in the process. Refusal to submit to testing or a positive test result after the 30-day waiting period will result in an immediate unpaid suspension and a recommendation to the Senior Management Committee for discharge.
  - d. Team members shall only be permitted to utilize the monitoring program once. Further violations of the policy will subject the team member to termination; A team member will receive a "clean slate" if it has been 5 years since the date of the most recent violation.
- C. For team members seeking voluntary assistance, the company recognizes alcohol and drug dependency as an illness and a major health problem. Team members needing help in dealing with such problems are encouraged to contact their Department Manager or Human Resource Manager to use our team member assistance program and health insurance plans. Conscientious efforts to seek such help will not jeopardize any team member's job and will not be noted in any personnel record. Team members with any sort of alcohol or substance abuse problems are encouraged to voluntarily come forward to seek counseling and rehabilitation, without retaliation towards the team member.
- D. In order to follow through with the Heritage Products, Inc. Drug and Alcohol Policy, all team members receiving treatment for alcohol and substance abuse are subject to unannounced testing for a period of twelve (12) months after the completion of the program. There will be a minimum of two (2) tests and a maximum of six (6) tests during the twelve (12) month period.
- If you elect for treatment, then you also will be entered on the monitoring program. If you volunteer for treatment before ever being asked to submit to a test or testing positive, then you will still be entitled to a second chance.

These goals can only be assured by monitoring the results of the treatment program. All team members entering the alcohol and drug abuse treatment program will agree in writing as to full understanding of, and agreement to, the above monitoring schedule or to be subject to disciplinary action up to and including discharge.

## **V-12 Computer Resources and Internet Policy**

### **General**

1. Users of our network and computer systems are responsible for respecting and adhering to local, state, federal, and international laws regarding the access and use of computer systems and software.
2. It should be noted that the computers provided by HPI are HPI's property and should be treated as such. The department manager and the IT administrator must approve any software or hardware additions or modifications before purchase and/or installation.
3. Personal computers provided by the team member must be reviewed for system compatibility and approved by the department manager and IT administrator before they are to be installed on to our network.

### **E-mail**

1. Heritage Products Inc. provides internal and external e-mail facilities to team members for business purposes. You should be aware that whenever you send e-mail, your name, user id, and location are included in each e-mail message. Therefore, all e-mail users should exercise good judgment and common sense when creating and distributing e-mail messages. Also, you should be aware that there is no guarantee of privacy with an e-mail message, and that Heritage Products may retrieve and review e-mail messages when authorized by the president or the plant manager without notice to the team member.
2. Forgery of e-mail messages is prohibited.
3. Attempts to read, copy, modify, or delete other members e-mail messages are prohibited.
4. Sending harassing, threatening, obscene, inappropriate, or other objectionable e-mail to anyone is prohibited.

### **Internet**

1. As a user of the Heritage Products network, you may have authorization to access the Internet. You should know that every Internet site you visit is capable of determining who you are, and whom you represent. Because of this, access to the Internet should include the use of good judgment, common sense, and careful discretion.
2. Occasional use of the Internet for personal reasons is permitted mainly during break or lunch periods. However, visiting gaming, adult sites, or other inappropriate use is never allowed and is prohibited.
3. Because of the prevalence of viruses, malware, and spyware on the Internet, downloading of any programs, data, or other material, except as approved by the IT department is prohibited. Some of the biggest sources of spyware come from "free" downloads of screensavers and tool bars. Be sure to read privacy statements.

### **Software**

1. All software purchases should be made by the IT administrator with the permission of the department manager.
2. All software should be installed by the IT administrator.
3. No software should be brought from home and installed on any Heritage Products computer unless it approved by both the department manager and the IT administrator.

## **V-13 No Point No Pay Procedure**

1. Management will communicate to the Team Members when No Point No Pay days are going to be made available.
2. Team Members will be required to fill out a NPNP request to be considered for this time off work.
3. Approved time off will be awarded based on seniority as much as possible. There may be situations where this can not be followed due to team member versatility or specific departmental needs.
4. No Point No Pay time may vary from hours, to days, to weeks, to months, depending on our sales and manpower conditions.
5. A Team Member who is off work as a result of No Point No Pay days for less than 13 weeks will receive full vacation entitlement for that year.
6. Team Members with 13 weeks or more of No Point No Pay time off, will have their vacation prorated in the same manner as Team Members on a leave of absence. (see Handbook Section III-1.1 for details).
7. No Point No Pay days will not count as days worked towards 40 day point reductions.
8. No Point No Pay days will be skipped over when calculating Perfect Attendance.
9. Team Members taking No Point No Pay days for a full week or more will be required to pay their portion of Health and Vision insurance premiums.
10. No Point No Pay days will not count as hours/days worked when calculating eligibility for FMLA.

11. The Company will make a good faith effort to call the Team Member should there be a need for recall prior to the ending date of an approved time off on No Point No Pay.

### **VI-1 Safety Philosophy**

"Safety Always" - This is the philosophy of Heritage. Every task, no matter how large or small, shall be performed in a manner that ensures high quality and personal safety at all times.

We believe that you are our most important resource and that protection of this resource is a key to our success.

All team members must make a conscious effort to attain the goal of "zero loss". This goal can only be attained through the application of individual safe work habits. An injury to a team member means a loss. It is a loss to the individual, his/her family and to Heritage. Much more important than financial loss, however, is the personal suffering involved.

We must all do everything we can to ensure the safety and health of ourselves and our fellow team members, both on the job and off.

You are the Key to Safety and Health at Heritage!

### **VI-2 Rules of Safety**

A successful safety program results from a cooperative effort between you and your Supervisor and that, along with the observance of the safety rules and the use of good common sense, will go far to avoid the possibility of accidents.

To help ensure your safety and create an enjoyable work environment, your understanding and cooperation in adhering to the following basic safety and housekeeping requirements is essential:

1. Report every injury or illness immediately to your Supervisor.
2. All required safety apparel for your job must be worn at all times. For example: safety shoes, safety glasses and hearing protection, if required in your work area.
3. Machinery is to be operated by trained and authorized persons only.
4. Do not operate any machine or other power equipment until you have received instruction on how to use it safely and properly. Do not use any vehicle unless you have been authorized to do so.
5. Equipment is always to be operated in a safe manner and in accordance with training and prescribed procedures.
6. Machinery must not be operated unless adequate guards are in place. Before removing a guard, always stop the machine completely and lock it out.
7. Never remove or render ineffective any safety sign, safety instructions, safeguard, safety device or appliance intended for personal protection.
8. Notify your supervisor immediately of any real or potential unsafe condition or hazard.
9. You are encouraged to walk at all times. Do not run.
10. Do not engage in any form of horseplay, practical jokes, throwing things, etc., as such activities are dangerous and will not be tolerated.
11. Never, under any condition, use compressed air for cleaning clothes or parts of the body unless use is OSHA approved.
12. In lifting, bend your knees, not your back. Keep your body erect and push upward with your legs.
13. Report any fire hazards to your Supervisor at once.
14. Emergency exits, fire fighting equipment and electrical panels must be kept clear and accessible at all times.
15. Be aware of the nearest exit and fire extinguisher.
16. Keep all aisles clear at all times.
17. Pallets and skids shall always be placed flat on the floor.
18. Floors are to be kept clean and dry at all times.
19. Be careful what you wear. Loose or torn clothing is unsightly as well as dangerous, and must be repaired immediately. Long hair must be tied back or up under a cap when working around rotating equipment (drill presses, lathes, milling machines, etc.). Wearing watches, rings and jewelry on the job can be hazardous and is discouraged.
20. Always place die blocks in a die when maintenance or repair work is underway.
21. Lift trucks will only be operated by authorized, licensed and trained operators.
22. Lift trucks and overhead cranes shall not be operated beyond rated capacity.
23. Do not drive a lift truck with the load arms higher than necessary to clear the floor (1-2 inches).
24. Do not ride double on forklift trucks.
25. Always follow good housekeeping practices and keep all common areas and work areas clean and orderly at all times. Put all waste, rubbish or paper in proper containers. Littering of any kind is prohibited.

### **VI-3 Accident Prevention**

We have found that you can do more to prevent accidents than anyone else we know. If you see something that you believe to be an unsafe condition, please report it to your Supervisor at once.

#### **VI-4 First Aid**

Complete first aid facilities are maintained for your benefit. Trained personnel are available to administer first aid for all scratches, cuts or other minor injuries, which you may receive on your job. Contact your Team Leader or Supervisor if you need first aid treatment.

#### **VI-5 Worker's Compensation**

All injuries or occupational illnesses incurred at work are covered by insurance that is paid by Heritage in accordance with worker's compensation laws. The benefits include payment for medical, hospital and surgical expenses, as well as payment for your time lost from work.

It is imperative that you report any work-related injury or illness immediately to your supervisor so that it may be properly cared for and recorded. Proper reporting further protects your right. You must immediately report any injury or illness, no matter how small or insignificant you believe it to be, to your Supervisor.

##### **VI-5.1 Work Related Injury Guidelines**

In order to maximize efficiency and smooth the process for team members who, from time to time, find it necessary to receive care from local area emergency room or other approved medical facility for work related injuries, the following procedures are applied.

1. Approval to leave work and go to the hospital must first be given by your Supervisor, Manager, or Human Resource Manager.
2. After treatment at the approved medical facility, team members are to bring documented results of treatment back to the Supervisor or, if unable to, the Human Resource Manager the next morning.
3. Recommended referrals by the emergency room doctor to seek further appointments or follow-ups will be made by the Human Resource Department the following day or the same day if your shift is a regular day shift.
4. Visits to the emergency room after you have left work and are at home will be the team member's responsibility and should be paid for through your group insurance benefits. Visits to the emergency room for work related injuries must be approved by your Supervisor or Manager prior to the visit.
5. If the emergency room doctor prescribes "no work" the remainder of your shift or until seen by the company doctor, you must return to work with the documentation, if able. Or come to the Human Resource Department immediately the next day so Heritage can make further appointments and contact our Worker's Compensation carrier to determine what benefits you may be eligible for.
6. Failure to comply with the above may delay benefits that you might otherwise receive approval for right away.

The purposes of these guidelines are to expedite benefits for which a team member may be eligible for and to provide for the minimum amount of disruption in the work place.

#### **VI-6 Good Housekeeping**

We have a beautiful and modern facility; one with which we can all be proud to be associated. Since we all like to work in pleasant, healthful and safe surroundings. All departments must be kept as clean and orderly as possible. You can do your part by placing paper, empty cups, oily rags, food scraps and other refuse in containers provided for this purpose.

Clean and sanitary restrooms are essential. Your cooperation in helping keep them clean is required.

The lunchroom is provided for your benefit and convenience. Everyone should assume the responsibility to keep it clean and pleasant.

#### **VI-7 Safety Shoes**

All team members working in the plant are required to wear safety shoes with a steel toe. Any team member reporting to work without proper safety shoes will be sent home until the proper safety shoes are worn. New team members are required to have safety shoes no later than the first day of their third week of employment.

Heritage will reimburse you up to \$100 of the purchase cost of your first pair of safety shoes and will, in the 2nd year and each year thereafter, reimburse all team members up to 50% of the cost of additional safety shoes with a maximum reimbursement of \$50.00 per pair. The receipt of purchase must be given to your Supervisor and be at least one year since the purchase of your previous safety shoes. You may order shoes through the Benefits Coordinator.

#### **VI.8 Safety Glasses**

All team members and visitors are required to wear safety glasses with side shields at all times while in the plant. You will be provided with one pair per year of prescription or plain OSHA approved safety glasses with side shields. After your first pair of prescription safety glasses, you will be entitled to one new pair every two (2) years at no cost to you, provided they are ordered through the Human Resource Department and there is a significant change in your prescription. You are responsible for all eye examination charges. Tinted lenses will not be acceptable at any time, unless approved by the Senior Management Committee.

If your glasses are damaged in the normal course of work, they will be replaced. Lost or carelessly damaged safety glasses will be the team member's responsibility to replace.

Team members are also allowed to bring in their own safety glasses, if the Human Resource Manager approves them in advance. A note will be placed in their personnel file indicating that non-company provided safety glasses have been approved for that team member. Under no circumstances will we allow team members to wear visitor's safety glasses (all clear) in place of their Company provided safety glasses because they are not as impact resistant. REV 6/1/09

### **VI-9 Uniforms**

Heritage Products, Inc. will supply each team member with an initial set of uniforms. This set will include 2 pair of pants, 2 long sleeve shirts, 2 short sleeve shirts, 1 lined jacket and a baseball style cap. Additional uniforms may be purchased with the company and team member each paying one half the cost of the additional uniforms. All team members will wear the Company uniform as their final exterior layer of clothing. We are requiring this to project the image that we are all on the same team and present and reinforce that image to our customers who visit the facility. Green Safety award jacket may be worn as part of the uniform. Payment for the additional uniforms may be done through a payroll deduction or personal check. These uniforms are the property of Heritage Products, Inc. and therefore cannot be altered in any way without permission of the company. We believe there are good reasons why uniforms must be worn at all times:

\* First, the uniforms protect your own clothing and enhance the team spirit throughout the plant.

\* Second, we must all strive to maintain a clean and attractive place to work and we want everyone to be proud of our working environment, especially when visitors and customers tour our plant. We believe that these uniforms project a favorable image of cleanliness and neatness to all of us, as well as visitors.

If, at any time, you want to order additional uniforms please complete the uniform ordering form with your Supervisor's signature and give to the Benefits Coordinator.

(If alternate pants are desired it is the responsibility of the team member to assure that the pants are similar in color to the Heritage style pants. If there is any question about alternate pants projecting the desired image or not matching closely enough to the Heritage Style pants the Heritage management team reserves the right to forbid the team member from wearing the pants to work. REV 4/10/08)

### **VI-10 Carrying And Use of Tobacco Products**

Smoking and tobacco chewing is only permitted in designated areas.

Heritage Products Inc. is a smoke free facility. Smoking is only allowed outside of the building or in the specifically designed "smoke houses" located to the east and west of the plant.

When it is determined that this work rule has been disregarded or violated, you will be subject to one of the following forms of disciplinary action: A documented verbal warning; a written warning; disciplinary leave or discharge.

### **VI-11 Emergency Evacuation**

Be sure that you are familiar with all exits and the proper procedure to follow should it be necessary to evacuate the building in case of emergency. Your Supervisor will inform you of the procedure to follow in your area. Once you have cleared the building, you must not return for any reason until cleared by your Supervisor.

#### Emergency Evacuation Procedure

The following procedures will be followed during plant evacuation or severe weather emergencies.

A. When it is necessary to evacuate the building the fire alarm will be sound.

1. All team members should immediately stop their work and, if time permits turn off electrical switches, gas and air lines in their area.
2. Evacuate the building through the closest exit, look for red EXIT lights.
3. When clear of the building go directly to your departments designated assembly area
  - a. Office, Welding/Assembly, QC and Material Handling assemble at the South West corner of the South parking lot.
  - b. Press, Tool & Die and Maintenance assemble at the South East corner of the South parking lot.
4. Supervisors will verify their team members are all clear of the building.
5. Team members are to remain at their designated assembly area until their Supervisor gives an "All Clear" to return to the plant or they are dismissed from work.

B. When a Tornado Watch is issued during daytime hours the HR Department will monitor weather conditions and during off shifts Supervisors will monitor weather conditions. If Tornado Sirens sound or a Tornado warning is issued for our area, you will be alerted by the public address system and by your Supervisor.

1. All team members should immediately stop their work and if time permits, turn off electrical switches, gas and air lines in their area.
2. Proceed in an orderly manner to the nearest shelter area: restrooms, maintenance cage, locker rooms, paint lab, compressor rooms, press pit area, supervisor and QC office and the large front office conference room.
3. If not able to get to shelter areas take cover between pallets, machines or other objects that will help protect you

from falling objects.

4. Stay in your shelter area until your Supervisor instructs you to exit.

The Civil Defense director reports that in tornados the walls generally go out and the roofs collapse. Your goal is to reach a smaller room or storage/equipment area that will provide protection from a roof collapse.

#### **VI-12 Severe Weather Shutdown**

We are all aware of the possibility of severe weather conditions that can arise in this part of Indiana. In the event severe weather conditions necessitate the shutdown of plant operations an announcement will be made on radio stations WCVL - AM 1550, WIMC - FM 103.9 and WCDV - FM 103.1 as soon as possible after such decision is made.

#### **VI-13 Hazard Communication and Labeling**

In order to continue our commitment to the OSHA Hazard Communication Standard and to our own ISO 14001 Environmental Standard the following rules apply.

NOTE: Not all chemicals used at Heritage Products are hazardous under the OSHA Hazard Communication Standard. However, all containers of products must be labeled for identification purposes and environmental requirements.

1. The materials manager will require our suppliers to conform to the OSHA Hazard Communication Standard that all hazardous chemicals are labeled in accordance with the standard. If there are any questions concerning incoming product and it's labeling contact the materials manager or human resources manager immediately.
2. It is the responsibility of all department managers to ensure all hazardous containers are properly labeled. Team members finding containers without a label should not use that product without first contacting their supervisor. The supervisor is to determine the appropriate hazard if any and label the container appropriately.
3. Each label must contain the following information:

Identity - This can be a trade name or chemical name as found on the Material Safety Data Sheet (MSDS)

Physical Hazard - Examples are: corrosive, irritant, oxidizer, flammable / combustible

Health Hazard - Examples are: toxic, carcinogenic, sensitizing agent

PPE - Personal Protective Equipment

Labels must stay with the container for the life of the container. Labels are not to be removed or damaged. If a label is damaged or missing the container can be marked with information copied from another identical product container.

4. Labeling stationary containers such as drums and tanks can be done individually or with a posted master identification label or process sheet.
5. Plastic spray bottles frequently used for cleaning agents and drawing oils will have a label attached when they are received. The team member using that bottle is required to fill out the label as directed on the process sheet or master label.

#### **VII-1 Service**

One measure of a company's strength is the number of years its team members have remained in its employ. We are very proud of the continuing service record being established by our team members.

Service is defined as follows: The length of time you have been on our payroll from your last date of hire until present (or until separation).

Your length of service is important to both Heritage and you. It is one factor which may directly or indirectly influence or determine eligibility for certain team member benefits, such as; vacation, insurance and, at a future date, pension or retirement programs. It can also affect decisions such as transfers, promotions and wage increases.

A stable and experienced work force includes long service and loyal productive team members. We want you to be proud of where you work, as well as how long you have been here. Length of service can be a key indicator as to what kind of company you work for.

#### **Your employment will terminate and your service will be lost if:**

- 1) You resign.
- 2) You are discharged.
- 3) You fail to report back to work within three (3) days after being so notified.
- 4) You are absent for three (3) consecutive workdays without notifying your Supervisor.
- 5) You are laid off for twelve (12) months after being employed *for* more than one (1) year, or if you have been employed *for* less than one (1) year and you are laid off *for* a period equal to or greater than your length of service with Heritage.

#### **VII-2 Job Elimination or Reduction In Work Force** (B shift welding will be considered one department)

to this goal, but we recognize there may be business conditions which make it necessary to eliminate a team member's position or otherwise re-align departments or classifications. If such action is necessary, the following procedure will be used: (For team members who volunteer or are assigned to a different department we will allow them "dual department status" for one year) 10/5/04

### 1.0 Re-alignment and Reduction

- 1.1 Our approach will be to accomplish the necessary changes by first seeking volunteers. If additional changes are necessary, length of service will be the controlling factor, provided the senior team members have the skills necessary to perform the available work. Specifically, we will recognize total length of service in the plant *for* A level positions, and length of service in the classification of C, E-I and E positions. (C, E-1 and E team members that volunteer or are displaced to a different classification or department can keep their previous classification seniority for one year.)10/5/04
- 1.2 In the event of a reduction in "A" level positions that results in a displacement out of the plant, temporary team members will be reduced first.
- 1.3 As further re-alignments or reductions become necessary the team member in the affected "A" job classification with the least seniority as described in 1.1 will be displaced first, regardless of the shift they may be on. If re-alignments or reductions are necessary in the C, E or E1 job classifications, the team member with the least classification seniority will be displaced first.
- 1.4 If an A team member is displaced through 1.3 above, then the A team member may displace the least senior team member in another A classification that their seniority will allow.
- 1.5 C, E and EI team members that do not volunteer (10/5/04) and are displaced, may (they have a choice of the following. 9/24/04) displace a team member in their department in a lower classification if their seniority allows them to do so. If their seniority will not allow them to displace a team member in their department they can displace an "A" team member in the plant if their seniority will allow.
- 1.6 C, E and EI team members who have been displaced in a classification and department will not be allowed to displace another C, E or EI team member in a different department.
- 1.7 Team members who are displaced in 1.4 and 1.5 above will not be locked in and will be allowed to bid to another position as job bids are posted.
- 1.8 If a team member is displaced from their job classification to that of a lower job classification, they will be paid at the top of the pay range of the lower classification.

### 2.0 Recall

Depending on the business conditions it may not be practical to recall displaced team members directly to full time status. In such cases we will ask displaced team members if they want to work as a temporary worker. Declining to work as a temporary worker will not jeopardize your recall rights as described below.(2/6/09)

When business conditions improve to the point that we can hire displaced team members back to full time status the following procedure will apply.

- 2.1 The C, EI, and E team members who had been displaced within the prior twelve, (12) months by a re-alignment of the workforce will be offered the opportunity to be recalled to the previously held job classification or department on whatever shift the company deems an opening to exist. (If they refuse the position their pay will be reduced to the highest "A" level. 12/19/05)
- 2.2 The "A" team members who have been displaced within the prior twelve (12) months will be recalled based on plant seniority.
- 2.3 If a team member fails within three days to return to work, the team member will no longer be eligible for recall.
- 2.4 Team members who are recalled are not locked in and will be allowed to bid on another position as job bids are posted.
- 2.5 All team members must keep the company advised of their current address and telephone number.

### **VIII-1 Personal Telephone Calls and Mail**

All personal telephone calls should be made during regularly scheduled breaks or lunch periods. Convenient, free local call telephones have been installed for this purpose in the cafeteria. Cell phone usage is covered under section VIII-11 of the handbook.

Incoming personal calls will be forwarded only in emergency situations. Non-emergency messages will be posted in the lunchroom area.

Team Members should receive only work-related mail at Heritage. All personal mail should be delivered to your home address.

### **VIII-2 Company Tools**

Heritage will furnish all tools and other equipment necessary to perform your particular work assignment. For this

reason, no personal tools should be brought into the plant except by special permission.

All tools issued to you are considered under your care and you are responsible for them. You are expected to assure their full useful life through proper use and routine maintenance. All tools and equipment will remain the property of Heritage and are not to be removed from their proper place without written authorization from a department manager.

### **VIII-3 Employment of Relatives**

An individual who is closely related (spouse, parent, son, daughter, sister, brother) to a team member will not be hired or placed in a position where a direct supervisory relationship will exist. Additionally, a reporting relationship of this nature will not be created between relatives through promotion, demotion, transfer or marriage.

### **VIII-4 Bulletin Boards**

Bulletin boards will be placed in high traffic areas within the plant and the lunchroom. Their purpose is to keep you informed about official Company business. The notices that are posted may include information relating to your job, your benefits, your department or the Company.

Personal team member notices may be posted with prior approval from the Human Resource Manager. Please make it a habit to look at the bulletin boards daily and read all notices carefully.

### **VIII-5 Educational Assistance**

Heritage Products, Inc. provides educational assistance to all of its permanent full time team members for the purpose of helping them improve their promotional possibilities and for stimulating self-improvement. Heritage Products, Inc. will reimburse tuition costs for up to a 100% of the current credit hour tuition cap not including late registration fees, breakage fees, meals and books, except when these are included in an overall package tuition charge. To be eligible for educational assistance, team members must get approval from their Department Manager, Human Resource Manager and President before registering. The course must be relevant to the team member's job or towards a planned degree helpful to the team member's career. The team member must receive a grade of "C" or better in order to be eligible for reimbursement. Once the course has been successfully completed, the team member should turn in the grade and evidence of tuition payment along with the tuition refund form. The team member will receive a 100% reimbursement on tuition up to the current credit hour cap, if he or she receives a grade of C or above.

Heritage Products will pay 100% of the tuition for pre-approved Skills Net classes that have been designated as pass/fail as long as the team member earns the "pass" designation. Tuition refund applications can be obtained from the Human Resource Manager.

### **VIII-6 Kaizen Group Activities**

The essence of Kaizen is simple and straightforward: Kaizen means continuous improvement in personal life, home life, social life and working life. When applied to the work place at Heritage, Kaizen means continuing improvement involving everyone. The Kaizen philosophy assumes that our way of life deserves to be constantly improved.

At Heritage, a Kaizen group is a small group of team members that voluntarily performs improvement activities within the plant. These small group activities are carried out continuously as a part of a Company-wide program to bring together ideas to improve safety, quality, productivity and the general welfare for all.

All team members are encouraged to participate in Kaizen activities. For more details, please contact your Supervisor.

### **VIII-7 Recreational and Social Activities**

From time-to-time, Heritage will sponsor a variety of athletic, recreational and/or social activities. These functions could be aimed at maintaining or improving individual health and fitness, facilitating a stronger team concept, promoting goodwill in the community or acquainting you with your fellow team members.

Information or details about these various activities will usually be posted on the Company bulletin boards, and announced at All Team meetings.

### **VIII-8 Special Facilities**

Cafeteria: A cafeteria equipped with vending machines and microwave ovens is available for all team members. If you bring a lunch a refrigerator is also located in the cafeteria for you to store your lunch. Please bring only what you will eat or drink in one day and help keep the area clean.

Locker rooms: Locker rooms are available for all team members' personal items and to change clothes.

Parking: Ample parking is available in the paved Company parking lot. There are no reserved parking spaces, except for visitors, disabled and motorcycles, so it is first come, first served. Please park between the painted lines and follow posted traffic control rules.

### **VIII-9 Time Card**

Each team member was given a personalized time card when they were hired. As a team member you are required

to have and use this time card everyday that you report to work and anytime you leave company grounds for lunch or personal business. Both IN and OUT punches are required when starting and ending your shift. If you report to work without your TIME CARD you will be required to use a manual card and give it to your Supervisor at the end of the shift. Failure to follow the above procedure will result in progressive disciplinary action. Loss of your time card may result in a \$10.00 replacement fee.

#### **VIII-10 Parking**

Whenever a team member's vehicle, his/her family or friend's vehicle enters Heritage Products Inc. property, must park their vehicle in the south team member parking lot, or the visitor parking lots only. The only vehicles that are allowed to travel on the east, north, and west frontage roads are: delivery trucks, semi tractors, company vehicles, and vendor vehicles.

#### **VIII-11 Cell Phone Usage**

1. Team members are not allowed to use their cell phones while on the job. Usage of these devices present a safety risk because of the work distractions while team members are trying to perform their work.
2. Cell phones should be turned off during work time.
3. Team members may use their cell phones during designated break times, in the break areas or outside of the plant.
4. Exceptions to these guidelines are for work-related purposes: for the maintenance department, management, and contractors who must use the cell phone for work related exchanges of information and instruction.
5. All emergency calls into the plant, should be made to the main phone number (765-364-9002) during regular business hours of 7:30 am and 4:15 pm. All incoming calls during other hours of the day/night should be made through phone number (765-364-5485). These calls will then be routed to the team member by their Supervisor or Team Leader.
6. Violations to this policy will lead to disciplinary action which may lead to termination of the team member.