THE EMPIRE COMPANY

PERSONNEL POLICIES

AND

EMPLOYEE HANDBOOK

The Empire Company
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SECTION I

INTRODUCTION

At The Empire Company, we realize that successful business enterprise requires good working conditions where both management and employees know each other’s general expectations.

The Company is a non-union organization and prefers to deal with its employees directly, rather than through a third party. We feel that we can deal with issues on a direct contact basis or through our communication process that stresses an open door policy. We encourage you to use your supervisor and these contacts when you have questions or problems.

Our Company looks confidently to the future, preparing for continual growth and progress. Your Company's future is bright because the demand and market for our products is constantly increasing.

You have an important role to play in this organization. We will sincerely try to help you reach your goals, and by becoming a part of a progressive organization, you will be provided with opportunities based on your abilities and efforts. Your success – like the success of the Company – will be largely determined by the interest and effort you put into your job.

ABOUT THIS HANDBOOK

This Handbook describes the policies, rules, procedures and benefits guiding the actions of the Company with regard to personnel matters. The contents of this Handbook are general statements of these matters. The Handbook is not intended to be exhaustive and is subject to change. The Company reserves the right to make such changes, to update, to delete, or to add to these policies, rules, procedures and benefits at any time, in its discretion. All such changes can only be made by the Company’s Chief Executive Officer (CEO).

The Handbook has deliberately been set forth in broad terms to allow for flexibility, since it is impossible to foresee every situation that could arise. In unique circumstances, we may vary these general guidelines.

This Handbook is intended as a reference guide for you. If you have any questions on specific policies or procedures, please ask your supervisor or the Human Resources Department for clarification.
This Handbook is intended to cover all employees of the Company, except as noted for temporary employees, part-time employees, and contract employees.

In the event of the amendment of any ordinance or law incorporated in this document or upon which these provisions rely, these policies, rules, procedures and benefits will be deemed amended in conformance with those changes. Nothing in this Handbook should be construed to limit the power of the Company to repeal or modify any provision of this Handbook.

This Handbook supersedes all previous policies, rules, procedures and benefits of the Company, both oral and written, and all past practices. The only exceptions are individual written contracts signed by the employee and the Chief Executive Officer.

Nothing in this Handbook constitutes or creates a contract of employment for a definite term. All employment is entirely at-will, which means you may voluntarily terminate the employment relationship at any time and for any reason, and the Company retains the same right. No one other than the Chief Executive Officer has the authority to advise an employee that he will be employed for any specific length of time or otherwise modify or amend the at-will employment relationship. Any such modification or amendment must be in writing and signed by the Chief Executive Officer in order to be valid.
SECTION II

EMPLOYMENT POLICIES

EQUAL EMPLOYMENT OPPORTUNITY

The Company is an equal opportunity employer with a policy of non-discrimination. This means that all qualified persons are accorded an equal opportunity for employment, assignment or promotion without regard to race, color, religion, sex, national origin, age, height, weight, marital status or disability. This policy applies to such areas as hiring, training, promotion, discipline, compensation, termination, benefits, transfer, layoff, recall and recreational programs.

Overall responsibility for implementing these policies is assigned to the Human Resources Department. However, all supervisors are responsible for ensuring that these policies are adhered to in their individual work units.

If you have any questions regarding this policy, you should contact the Human Resources Department, the Office Manager, or the Chief Financial Officer.

HARASSMENT

The Company will not tolerate any form of employee harassment, either verbal or physical, based on race, color, religion, sex, national origin, age, height, weight, marital status, or disability. It is the intent of the Company that all employees will work in an environment that is free from harassment of any employee by another employee, supervisor, vendor or customer.

The Empire Company, Inc. is committed to providing a work environment in which people are treated with dignity, decency and respect. The work environment should be characterized by mutual trust and the absence of intimidation, oppression and exploitation. Employees should be able to work and learn in a safe, yet stimulating atmosphere. The accomplishment of this goal is essential to the mission of the Company. For that reason, Empire will not tolerate unlawful discrimination or harassment of any kind. Through enforcement of this policy and by education of employees, the Company will seek to prevent, correct and effectively discipline behavior that violates this Anti-Harassment Policy.
All employees, regardless of their title or position, are covered by and are expected to comply with this policy. Likewise, all employees are expected to take appropriate measures to ensure that prohibited conduct does not occur.

**Prohibited Conduct under This Policy**

1. **Discrimination**

   It is a violation of this policy to discriminate in the provision of employment opportunities, benefits or privileges, to create discriminatory work conditions, or to use discriminatory evaluative standards in employment if the basis of that discriminatory treatment is, in whole or in part, the person’s race, color, ethnicity, national origin, age, religion, physical or mental disability, gender, or marital status, and all other bases protected by law.

   Discrimination of this kind may also be strictly prohibited by a variety of federal, state and local laws, including Title VII of the Civil Rights Act of 1964; the Age Discrimination in Employment Act of 1975; and the Americans with Disabilities Act of 1990. This policy is intended to comply with the prohibitions stated in these and any other applicable anti-discrimination laws.

   Discrimination in violation of this policy will be subject to severe sanctions up to and including termination.

2. **Harassment**

   Harassment, including sexual harassment, is prohibited by federal and state laws. This policy prohibits harassment of any kind, and management will take appropriate action swiftly to address any violations of this policy.

   Harassment is defined as **verbal or physical conduct designed to threaten, intimidate or coerce; verbal taunting (including racial and ethnic slurs) which impairs an employee’s ability to perform his or her job.**

   Examples of harassment include but are not limited to:

   **Verbal:** Comments which are not flattering regarding a person’s nationality, origin, race, color, religion, gender, sexual orientation, age, body disability or appearance, epithets, slurs, negative stereotyping.

   **Non-verbal:** Distribution, display or discussion of any written or graphic material that ridicules, denigrates, insults, belittles, or shows hostility or aversion toward an individual or group because of national origin, race, color, ethnicity, religion, age, gender, physical or mental disability, marital status or other legally protected class.
3. Sexual Harassment

Sexual harassment in any form is prohibited under this policy. Sexual harassment is a form of discrimination and is unlawful under Title VII of the Civil Rights Act of 1964. According to the Equal Employment Opportunity Commission (EEOC), sexual harassment is defined as: unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when submission to or rejection of such conduct is used as a basis for employment decisions or such conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment.

Sexual harassment includes unsolicited and unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature, when such conduct:

a. Is made explicitly or implicitly a term or condition of employment, or
b. Is used as a basis for an employment decision, or
c. Unreasonably interferes with an employee’s work performance or creates an intimidating, hostile, or otherwise offensive environment.

Sexual harassment does not refer to behavior or occasional compliments of a socially acceptable nature. It refers to behavior that is unwelcome, that is personally offensive, lowers morale and therefore interferes with work effectiveness. Sexual harassment may take different forms.

Examples of conduct that may constitute sexual harassment are:

Verbal: Sexual innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, lewd remarks, threats, requests for any type of sexual favor (this includes repeated, unwelcome requests for dates), verbal abuse or “kidding” which is oriented towards a prohibitive form of harassment, including that which is sexually oriented and considered unwelcome.

Non-verbal: The distribution, display, or discussion of any written or graphic material, including calendars, posters, and cartoons that are sexually suggestive or show hostility toward an individual or group because of sex; suggestive or insulting sounds; leering, staring, whistling in a suggestive or provocative manner, obscene gestures; content in letters and notes, facsimiles, internet websites and e-mail that is sexual in nature.

Physical: Unwelcome, unwanted physical contact, including but not limited to touching, tickling, pinching, patting, brushing up against, hugging, cornering, kissing, fondling, force sexual intercourse or assault.

Normal, courteous, mutually respectful, pleasant, non-coercive interactions between employees, including men and women, that are acceptable to and welcomed by both parties, are not considered to be harassment, including sexual harassment.

There are two basic types of sexual harassment:
1. “Quid pro quo” harassment, where submission to harassment is used as the basis for employment decisions such as pay increases, promotions, better working hours or conditions, etc., that are directly linked to compliance with sexual advances. Therefore, only someone in a supervisory capacity (with the authority to grant such benefits) can engage in quid pro quo harassment. Example: A supervisor promising a pay increase if the employee will go out on a date with him/her; a manager threatening termination if an employee will not engage in sexual activity with him/her.

2. “Hostile work environment” is where the harassment creates an offensive and unpleasant working environment. A hostile work environment can be created by anyone in the work environment, whether it be supervisors, co-workers, customers, or vendors. This type of harassment consists of verbiage of a sexual nature, unwelcome sexual materials, or even unwelcome physical contact as a regular part of the work environment. Cartoons or posters of a sexual nature, vulgar or lewd comments or jokes, or unwanted touching or fondling all fall into this category.

What should you do if you are the victim of sexual harassment?

a. If you are the recipient of an unwelcome gesture or remark of a sexual nature, **do not remain silent**.

b. Make it clear to the harasser that you find such conduct offensive and unwelcome.

c. State clearly that you want the offensive conduct to stop at once.

d. Consider going to the supervisor or manager of the person harassing you. The employer cannot solve the problem unless made aware of it. You may also go to the supervisor or manager if you find it uncomfortable to confront the individual engaging in the offensive conduct.

e. If the conduct does not stop after you speak with the harasser or after you have gone to the harasser’s supervisor or manager, you should then notify your own supervisor or manager or go to your Human Resources representative.

f. Review the complaint procedure set forth in this policy. If you decide to file a complaint, please contact the Human Resources Director and fill out the complaint form.

g. You may wish to keep a written log of all incidents of harassment, noting the date and time, place and persons involved, and any witnesses to the event.
4. **Retaliation**

No hardship, no loss of benefit, and no penalty may be imposed on an employee as punishment for filing or responding to a bona fide complaint of discrimination or harassment, appearing as a witness in the investigation of a complaint, or serving as an investigator.

Retaliation or attempted retaliation is a violation of this policy and anyone who does so will be subject to severe sanctions up to and including termination.

**The Complaint Process**

Any person electing to utilize this complaint resolution procedure will be treated courteously, and the problem will be handled swiftly and as confidentially as feasible in light of the need to take appropriate corrective action. The registering of a bona fide complaint will in no way be used against the employee, nor will it have an adverse impact on the individual’s employment status. While reporting such incidents could be a difficult personal experience, allowing harassment activities to continue will most certainly lead to less desirable outcomes. For that reason, employees are strongly urged to follow this procedure when they feel they have been the victim of discrimination or harassment. However, because Empire takes these matters very seriously, filing groundless and malicious complaints is an abuse of this policy and is prohibited.

**A. Responsibilities**

All Empire employees must share the responsibility of understanding and preventing discrimination and harassment. But ultimately, no satisfactory investigation or resolution of complaints can occur without the initiative and continued cooperation of the injured person. **Individuals who believe they have been discriminated against or harassed have the primary obligation of informing their supervisor, manager, or H.R. representative of the act of discrimination, harassment, or retaliation, recounting specific actions or occurrences whenever possible.**

Managers and supervisors have a special responsibility as possible agents of Empire to act promptly to eliminate any discrimination or harassment that exists in their areas of responsibility. If any incident of discrimination or harassment is suspected or if information is received that indicates it might be occurring, the manager or supervisor has a responsibility to take immediate action including, but not limited to, speaking directly with the injured person, developing a specific account of the actions, omissions or occurrences that are alleged to be occurring, consulting with the Human Resources Director, and taking corrective or disciplinary action.

If the alleged discrimination, harassment or retaliation is not within their area of responsibility or oversight, the supervisor or manager must notify the Human Resources
Director or other appropriate management staff, who must then take prompt steps to address the allegation. **Any Empire employee with supervisory or hiring responsibilities who is found to have engaged in conduct prohibited under this policy is subject to disciplinary action, including removal from that position for cause, and disciplinary action up to and including termination.**

The Human Resources Director has the primary responsibility of implementing this policy. In particular, the Human Resources Director will respond to inquiries and complaints from management and employees regarding discrimination, sexual or other harassment, or retaliation; maintain records of these inquiries and complaints as well as their resolution; and keep other Executive Management advised of such matters.

The Human Resources Director, in conjunction with other appropriate staff, has the responsibility of providing information and education to employees and management on recognizing, understanding, and combating unlawful discrimination and harassment.

**B. Confidentiality**

Empire recognizes that individuals may be concerned about the confidentiality of information they share and will strive to preserve confidentiality to the fullest extent possible.

Discussions for the purpose of obtaining general information or advice from responsible administrators or managers will remain confidential. No action will be taken when individuals wish only to make an inquiry, so long as they do not disclose any identifying information about themselves or the person accused (e.g. names, department, position, etc.) However, anonymity cannot always be maintained if the individual wishes to have corrective or disciplinary action taken in a particular case. Moreover, management may be legally obligated to take action once they become aware that discrimination harassment or retaliation has occurred or may be occurring. Confidentiality cannot be guaranteed in such a case.

Once an individual discloses identifying information to Company management, and such information is sufficiently complete and specific to state a claim of discrimination, harassment or retaliation s/he will be considered to have filed a complaint with the employer.

Empire management will take prompt responsive action upon receipt of a complaint unless the complainant expressly requests that no action be taken and the Human Resources Director determines, based upon legal considerations, that federal, state or local laws do not mandate action.

While the confidentiality of the information received, privacy of the individuals involved, and wishes of the complaining person regarding action by Empire cannot be guaranteed in every instance, they will be respected to as great a degree as is legally
possible. Notes or documents written by or received by the person(s) conducting the investigation will be kept confidential to the extent allowed by law.

C. Complaint Procedure

The following complaint procedure will be followed in order to address a complaint of harassment, discrimination, or retaliation.

An employee who feels harassed, discriminated or retaliated against may initiate the complaint process by filing a written and signed complaint with the Human Resources Director. No formal action will be taken against any person under this policy unless a written and signed complaint is on file containing sufficient details to allow the Human Resources Director to determine if the policy may have been violated. The complainant may use the complaint form, which is available from the Human Resources Department. If a supervisor or manager becomes aware that harassment or discrimination is occurring, either from personal observation or as a result of information received from an employee, the supervisor or manager must immediately report it to the Human Resources Director and a complaint form must be completed.

Upon receipt of the complaint or being advised that violation of this policy may be occurring, the H.R. Director will reviewed with legal counsel, when appropriate, and with the manager of the department in which the report of harassment, discrimination or retaliation is alleged to be occurring.

Within five working days of receiving the written complaint, the H.R. Director will provide a copy of the complaint to the person(s) charged (hereafter referred to as “respondent(s)” and initiate the investigation to determine whether there is a reasonable basis for believing that the alleged violation of this policy occurred.

1. During the investigation, the H.R. Director, together with legal counsel and/or other management employee, will interview the complainant, the respondent, and any witnesses, to determine whether the prohibited conduct occurred.

2. Within fifteen days of the complaint being filed (or the matter being referred to the H.R. Director), the individual assigned to investigate will conclude the investigation and submit a report of the findings to the H.R. Director.

3. If it is determined that harassment or discrimination in violation of Empire’s policy has occurred, the H.R. Director will implement the appropriate disciplinary action. The appropriate action will depend on (a) the severity, frequency and pervasiveness of the conduct; (b) prior complaints made by the complainant; (c) prior complaints made against the respondent; (d) the quality of the evidence (first-hand knowledge, credible corroboration, etc.)

4. If the investigation is inconclusive or it is determined that there has been no harassment, discrimination or retaliation in violation of this policy, but some
potentially problematic conduct is revealed, preventative action will be documented and taken.

5. Within five days after the investigation is concluded, the H.R. Director or his/her designee, will meet with the complainant and the respondent separately in order to notify them in person of the findings of the investigation and the action being taken.

6. The complainant and the respondent may submit statements to the H.R. Director challenging the factual basis of the findings. Any such statement must be submitted no later than five working days after the meeting with the H.R. Director or his/her designee in which the findings of the investigation are discussed.

7. If statements are submitted to the H.R. Director challenging the factual basis of the findings, within ten days from the date the H.R. Director or his/her designee meets with the complainant and respondent, the H.R. Director will review the investigative report and any statements submitted by the either party, discuss results of the investigation with appropriate Executive Management, and report the Company's decision to the complainant, the respondent, and other appropriate managerial staff. The Company’s decision will be in writing and will include finding of fact and a statement for or against disciplinary action. If disciplinary action is to be taken, the sanction will be stated.

D. Alternative Legal Remedies

Nothing in this policy shall prevent the complainant or the respondent from pursuing formal legal remedies or resolution through state or federal agencies or the courts.
THE EMPIRE COMPANY, INC.

COMPLAINT OF VIOLATION OF ANTI-HARASSMENT POLICY

Complainant: ___________________________ Date: ____________

Position: ___________________________ Supervisor: ________________

Location: ___________________________ Department: _______________

1. Name and position of alleged harasser: ___________________________

2. Date and time of harassment: ________________________________

3. Did the harassment occur more than once? ___Yes ___ No

4. If so, how often did it occur? ________________________________

5. If it occurred more than once, on what dates and times did it take place?
   ___________________________________________________________________

6. Statement of complaint (include facts of what actually occurred, dates, policy or regulation involved, if any, and the remedy desired.
   ___________________________________________________________________

7. Name of Witness(es) to the occurrence:
   ___________________________________________________________________

Signature: ___________________________ Date: __________________
   (Complainant)

Printed Name: ___________________________

Received by: ___________________________ Date: ________________
PHYSICAL EXAMINATIONS AND DRUG TESTING

After an offer is extended, but before you begin employment, you may be requested to undergo a physical examination conducted by a Company appointed physician at Company expense. You will also be required to have a drug test. After you begin employment with the Company, medical examinations may be required if the examination is required by business necessity and is job-related for a particular job. All information resulting from any medical examination is kept in a separate, confidential medical file.

SUBSTANCE ABUSE POLICY

It is Company policy to provide a work environment free from drug and alcohol use. While we have no desire to interfere with the private lives of our employees, we expect all employees to report to work in a condition ready to perform their duties.

This policy applies to all employees when they are on Company time or on Company premises, including, but not limited to, all Company property, facilities, land, platforms, buildings, structures, fixtures, installations, automobiles, trucks, and other vehicles.

The policy also prohibits the use or ingestion of prohibited substances while off Company premises if such use or ingestion in any way affects, or may affect, the employee’s ability to safely or competently perform his/her job or if such use or ingestion results in the presence of detectable levels of prohibited substances in the body while on Company time or premises.

No employee shall report to work while under the influence of drugs and/or alcohol. Likewise, the use, sale, transfer or possession of alcohol, illegal drugs, hallucinogens, stimulants, sedatives or controlled substances on Company property, in Company vehicles, or on Company paid time is prohibited. This includes the misuse of prescription drugs, or use or possession of any mood altering substance while on Company paid time, or during lunch or break periods, or in circumstances the Company believes will adversely affect the Company’s operations or safety. Any violation of this policy will lead to disciplinary action, up to and including immediate discharge.

We request that any employee report to the Company if he/she is taking any medication which impairs the employee’s ability to perform his/her job or causes a direct threat to the employee or fellow employees. If a medication is being taken due to a disabling condition, the Company will discuss reasonable accommodation with the employee.

If it is found that the medication will adversely affect the employee’s safety and the safety of others, an effort will be made to place the employee in a position that will not create a safety problem. If such a position is not available, the employee will be sent home, using available sick leave, vacation time, or leave without pay, until the employee is able to resume normal job functions.
Management reserves the right, in appropriate circumstances, and at any time, to require and conduct substance testing to determine the presence of drugs/alcohol. Circumstances include, but are not limited to:

- post-accident/injury,
- reasonable suspicion based on continued impaired or irrational behavior, appearance and speech of individual, or other factors,
- unexplained changes in individual job performance or behavior,
- prohibited substances are found in the possession of the employee,
- unexplained or suspicious absenteeism or tardiness, and
- unexplained absences from normal work areas where there is reason to suspect drug related activity in violation of this policy, or
- on a random basis in any Company facility.

Testing and searches will be conducted with concern for the personal privacy of each employee. No employee search or substance test will be conducted without the employee’s written consent. However, an employee who refuses to submit a search or substance testing is subject to disciplinary action up to and including discharge.

An employee is considered to be under the influence of drugs or alcohol when a test shows a detectable level of drugs or alcohol in the blood or urine, or there is any noticeable or perceptible impairment of the employee’s mental or physical faculties.

Employees who voluntarily request assistance in dealing with a substance abuse problem may participate in the Employee Assistance Program without jeopardizing their continued employment, if such request is made before there is a violation of the Substance Abuse Policy. Volunteering to participate in the Employee Assistance Program will not prevent disciplinary action for a violation of this policy or any other Company policy that has already occurred.

Individuals discharged for substance abuse under the Substance Abuse Policy may be offered the opportunity to enter into a “Last Chance Agreement”, at the Company’s sole discretion. The Last Chance Agreement may provide that an employee discharged for substance abuse may return to employment under various conditions, which may include any of the following:

- The employee acknowledges in writing he/she has a substance abuse problem,
- The employee successfully completes a rehabilitation program prescribed under the Employee Assistance Program,
- The employee agrees in writing to submit to random testing for the remainder of his/her employment.

The Company recognizes that situations may arise which are not specifically covered by this policy and these guidelines. The Company will deal with those situations on a case-by-case basis after giving consideration to such things as the nature of the
situations or problems, the employee’s overall employment record, the job assignment, the potential impact on safety, and other factors the Company deems relevant.

**SEARCHES OF COMPANY AND EMPLOYEE PROPERTY**

In order to ensure the safety of the work force and the security of Company premises, the Company reserves the right to search all Company property, vehicles, structures, furniture and equipment, including, but not limited to, offices, lockers, desks, file cabinets and computers at any time and for any reason. All employees are encouraged to refrain from storing on or in Company owned property any personal articles (including personal correspondence) they wish to protect from inspection from Company officials. This policy also includes Company property that may be found in an unauthorized location. Refusal to allow a search or hindrance of a search will result in disciplinary action up to and including discharge.

If a search uncovers a substance that appears to be a prohibited substance as defined in the Substance Abuse section of this policy manual, the proper authorities will be notified and the substance will be turned over for identification. If the substance is found to be a prohibited substance, the employee will be subject to disciplinary action, up to and including discharge.

**SMOKING**

The Company facilities are non-smoking facilities.

Personnel who currently smoke are encouraged to participate in a stop smoking program. Upon completing a program and then remaining smoke-free for a period of 6 months, the Company will reimburse the employee 100% of the cost of the program, up to $150.

For information regarding non-smoking programs, you may call the National Cancer Institute’s toll-free Cancer Information Service at **1-800-422-6237**. Other resources are local chapters of the American Cancer Society, American Lung Association, American Heart Association or state and local health departments.

Please turn in all necessary documents when you have completed the program, including a letter certifying you have been smoke-free for a period of 6 months to receive reimbursement.

Please contact the Human Resources Department if you have any questions or concerns relative to the smoking policy.
EMPLOYMENT AGREEMENTS

The Company may decide, in its sole discretion, to enter into a written employment agreement with an employee. Employees who do not have a contract or written employment agreement stating a specified term of employment are considered at-will employees. The CEO is the only individual authorized to enter into or sign an employment agreement with an employee.

SAFETY

The Company seeks to provide safe working conditions for all employees and to establish the safety regulations necessary to ensure safe working conditions. It is our policy to comply with all federal, state, and local regulations.

The Company is required by law to report occurrences of occupational illness and injury. When an injury occurs, no matter how minor, employees must inform their supervisor immediately.

Supervisors must submit a written report of any injury or work-related illness to the Human Resources Department within the 24 hour period following the incident.

Every precaution will be taken to ensure that you are able to perform your duties in a safe environment. However, the ultimate responsibility for safety is with each employee. Any employee who engages in work behavior that could result in injury to self or others will face disciplinary action, up to and including immediate discharge.

APPEARANCE AND DRESS

The Company promotes a relaxed, effective work environment and maintains a business casual dress code, believing in the good judgment of their employees to be appropriate for the demands of their individual workday. “Business casual dress” includes jeans without holes, tears, patches nor frayed, worn appropriately without sagging nor low on the waist and without exposing undergarments on the outside of their clothing. Sweatpants, exercise pants, shorts, tank tops, midriff tops, halter-tops, etc. should be avoided. Tops such as sweatshirts and t-shirts without potentially offensive words, logos, etc. are allowed on casual Fridays. All employees should use discretion in their selection of their attire to be appropriate for their work area and customer interaction. Good personal hygiene and sensitivity to those around you (i.e. strong fragrance, lack of offensive body odor) are a requirement. Depending on your location, safety shoes or boots, safety glasses, hearing protection or other personal protective equipment may be required. Consult your supervisor or your
local Human Resource staff to verify the specific requirements at your location or in your work area. It is the responsibility of each department manager to maintain acceptable appearance and dress standards appropriate to their department.

SECTION III

PAY PRACTICES

CLASSIFICATIONS OF EMPLOYEES

In order to determine eligibility for benefits and overtime status, and to ensure compliance with federal and state regulations, the Company classifies its employees as follows:

- **Full-Time:** Employees normally scheduled to work 40 hours or more per week.

- **Part-Time:** Any employee who has not been designated a full-time employee and who is not regularly scheduled for work or who works less than 40 hours per week.

- **Temporary:** Employee hired to work either full-time or part-time for a specified limited period.

- **Non-Exempt:** Employee subject to minimum wage and overtime provisions of the Fair Labor Standards Act. Non-exempt employees are usually paid on an hourly basis.

- **Exempt:** Employee who is not required to be paid overtime. Exempt employees are paid on a salaried basis.

The Company reserves the right to review employee classifications any time that jobs or duties are changed.
INTRODUCTORY PERIOD

All new, full-time employees work an introductory period for 90 calendar days after their last date of hire. The introductory period is designed to give you an opportunity to see if you like working at our Company and to give us an opportunity to evaluate your performance and decide where you may best be assigned to work. New employees are eligible to receive certain benefits after successful completion of the introductory period.

The existence of this introductory period should be not construed to change the nature of any employee’s employment, which is at-will employment.

LENGTH OF SERVICE

For purposes of determining benefits and other terms of employment as specified in this Handbook, an employee’s length of service begins from his/her last date of hire by the Company or its predecessor.

PAY PROCEDURES

Exempt employees are paid twice a month. Paydays are usually on the fifteenth day and the last day of the month. If the scheduled payday falls on a Saturday, Sunday, or a Company observed holiday, you will usually be paid on the workday preceding the weekend or holiday.

Non-exempt employees are paid every two weeks on Fridays. The paycheck received covers the pay period which ended the previous Friday.

Upon request, the Company will deposit your paycheck directly into a bank of your choice. Contact your Office Manager (Human Resources in Michigan) to arrange this.

PAYROLL DEDUCTIONS

Your deductions will be listed with your check each pay period. Social security and income tax deductions are required by law. These deductions depend upon earnings and the number of exemptions you claim.

Other payroll deductions are voluntary and made only with employee authorization.
GARNISHMENTS

The Company expects employees to manage their personal finances in a responsible manner and not involve the Company in their personal business. Garnishments involving two or more debtors or instances of indebtedness are very costly to the Company and adversely affect our operations.

If the Company is served with a garnishment or court order, we must legally comply and must take the appropriate deductions from your paycheck as required by law. We request your assistance in handling your financial affairs in a responsible manner.

HOURS OF WORK

The normal work week for exempt office employees is Monday through Friday, with employees scheduled to work 40 hours per week. The normal workday schedule is 8:00 a.m. to 5:00 p.m., which includes one hour for an unpaid meal period.

The warehouse works on a two shift operation. Shift schedules are posted in the warehouse and may change from time to time.

The Company recognizes that employees need periodic rest breaks and provides breaks in each facility. Your supervisor will advise you of the break schedules.

These schedules serve as general guidelines. Your particular hours of work and scheduling of rest and lunch periods may be changed by your supervisor to conform to departmental needs.

While The Empire Company normally works a 40 hour week, business conditions may necessitate changes. For that reason, we make no guarantee of a 40 hour week.

BREAKS AND LUNCH PERIODS

Each facility has its specific break times and lunch period. These will be posted at each facility and are not noted in this handbook.

OVERTIME

Employees may be required to work overtime to complete their daily work or to meet customer needs. In such cases, the Company will attempt to give as much advance notice as possible. Overtime must be approved in advance by your supervisor.
Non-exempt employees will be paid 1½ times their regular rate of pay for all hours worked in excess of 40 hours in a workweek.

If an employee takes vacation time in a workweek, effective March 21, 2010, vacation time will not be considered “hours worked” for calculating overtime. It will be paid at straight time rates the same as holiday and sick/personal time. If the Company pays vacation pay in lieu of vacation time off, that payment is not considered as hours worked.

Time off for a holiday or paid sick time is not considered as hours worked for calculating overtime.

**COMPUTING TIME WORKED**

Computation of time worked is based on the nearest ¼ hour of time worked. That means if a person works 8 minutes or more in ¼ of an hour, he/she will be paid for that ¼ hour. A person who works 7 minutes or less in a ¼ hour is not paid for that ¼ hour.

**Example:** If an employee with an 8:00 a.m. starting time begins work at 8:09 a.m., the employee’s time worked starts at 8:15 a.m. If the employee worked until 4:38 p.m., he/she would be paid for the ¼ hour ending at 4:45 p.m.
SECTION IV

PEOPLE MANAGEMENT AND EMPLOYMENT POLICIES

POSTING OF POSITIONS

When a position within the company becomes available, it may be posted internally at the specific entity where the vacancy occurs or company-wide, depending on the position and other circumstances. The company may also seek outside candidates, and consideration will be given to all interested candidates. Ultimate selection will be made by the hiring manager and others involved in the process, including HR. We reserve the right to post some, but not all, available positions at the company’s sole discretion on a case by case basis.

TRANSFER BETWEEN ENTITY/DEPARTMENT

In certain circumstances, a current employee in one entity may be considered for transfer to a vacancy in another entity when such transfer is in the best interests of both the employee and the company. Cost of relocation is the responsibility of the employee unless the move is made at Company request.

If an eligible employee applies for a vacant position in another department and is selected, the timing of the transfer will depend on the needs of both affected departments, as determined by the Senior Manager of each. A transition period between two and six weeks is reasonable in most circumstances. The new position title, pay rate, and related changes (i.e. department, hourly/salary class, etc.) will become effective on the earlier of (a) the date mutually agreed by the affected Senior Managers, or, (b) the pay date closest to but no more than four weeks from the date of documented acceptance of the new position, regardless whether transition of duties and training is complete. Department managers are expected to offer some degree of flexibility in the transition process in order to meet overall company needs.

EMPLOYEE DEVELOPMENT & ADVANCEMENT

Empire encourages the development and advancement of its associates. Training opportunities are available within work areas such as sales, product-specific training, various warehouse tasks, defensive driving, safety-related topics, equipment use, etc. Additional training needs may be requested by the manager and coordinated through the HR Department to meet identified needs of the department, a group, or an
employee. Individual training requests may be brought to HR accompanied by Manager approval.

APPLYING FOR AN OPEN POSITION

A current employee who has been employed by Empire for at least one year and has performed successfully in his/her current position for at least six months may apply for an open position in the Company. It is the responsibility of the employee to inform his/her current manager of interest in seeking another position.

REPORTING ABSENCE

If you will be absent from work or tardy on any day, Company policy requires you to report your absence before your normal starting time. You may do this by telephone. The telephone number for hourly warehouse employees is 1-800-438-0283. Use the following extension for your facility:

- Michigan - extension 2901
- Allentown - extension 2904
- Virginia - extension 2902
- Florida - extension 2903
- Texas - extension 2905

When calling in, give your name, date, time and the reason for your absence/tardiness and the anticipated day/time to return to work. You should call in each day you are absent, unless you have advised the Company of the specific period you will be out or are on an approved leave of absence.

Non-warehouse hourly employees should report absences/tardiness to their individual supervisors. Leave a message on the supervisor’s voice-mail if he/she is not available when you call.

Salaried employees are expected to report their absences to their immediate supervisor.

ATTENDANCE

Your regular attendance is important to the Company. The Absence and Tardiness Program below applies to non-exempt employees.
ABSENCE AND TARDINESS PROGRAM
As Amended 4/1/04

Absenteeism and tardiness are costly and disruptive to our business. Although certain absences are beyond the employee’s control, the Company and your fellow employees have the right to expect regular attendance. Failure to adhere to the attendance standards outlined herein may lead to disciplinary action.

Earned Credits – an hourly employee may improve his or her attendance record through improved attendance. For each calendar month of perfect attendance, including at least two weeks of actual work or paid time off, an employee will be given one credit that can be accumulated in advance or applied against prior occurrences. Instances of absence, tardiness or leaving early will prevent the earning of a credit for that calendar month. The accumulation of attendance credits is limited to a maximum of 6 at any one time. Perfect attendance includes excused absence occurrences for any of the following exceptions.

Exceptions – Absences, tardiness or leaving early for any one of the following reasons will not be considered an occurrence:

1. Work-related injury
2. Vacation and holidays
3. Pre-approved personal time
4. Jury duty
5. Military duty
6. Absence qualified under the Family and Medical Leave Act
7. Authorized leave of absence (other than sick leave)
8. Hospital confinement (including pre-admittance and recuperation time, birth of a child)
9. Death in immediate family

Any employee who is not in attendance for any one of these 9 reasons and who desires that it not be considered an occurrence must advise his/her supervisor of the reasons as soon as possible, but in any event no later than the first day upon returning to work following such instance. (The Company retains the right to require proof.) If the employee does not advise the Company that his or her absence, tardiness or leaving early is for one of these 9 reasons, it may be recorded as an occurrence.

Occurrence Penalties – Occurrences will be deducted from the accumulation of earned credits per the following:

Failure to Punch In = ½ occurrence
**Tardiness** – "Tardiness" is defined as being late up to one hour and 30 minutes after the beginning of the shift. Tardiness in excess of one hour and 30 minutes may be treated under the absenteeism program.

**Tardiness Breakdown:**

1. Beginning of the shift to fifteen minutes after the start of the shift. (1/4 occurrence).
2. From 15 minutes after the beginning of the shift to one hour and 30 minutes after the beginning of the shift. Must call in within 15 minutes of beginning of shift. (1/2 occurrence)
3. From 15 minutes after the beginning of the shift to one hour and 30 minutes after the beginning of the shift with no call-in or you do not make it in before the end of the one hour and 30 minutes time shall be treated as an absence. (1 occurrence)

**Overtime and Leaving Early** – An employee who misses voluntarily accepted or assigned overtime or leaves early may be charged under this policy, unless their supervisor has given prior permission to miss the overtime or leave early. Leaving early is defined as leaving up to one hour and 30 minutes before the end of your shift. One-half occurrence may be charged.

**Absenteeism** – An employee may be charged with one occurrence for each absence that lasts more than one hour and 30 minutes per day. An employee whose period of absence exceeds one day will only be charged with one absence occurrence if he or she submits a valid doctor’s excuse. This excuse must state when the doctor examined the employee, whether the condition disabled the employee, and for what period the employee was actually disabled.

Doctor's statements that merely state the employee is "under my care" or "was seen in the office" or "sick" will not be accepted, unless it also contains the aforementioned information. Doctor's slips must be presented to your supervisor no later than the first day upon returning to work. An employee who gives a false reason for absence is subject to immediate discharge.

**Procedure** – Although this procedure does not guarantee that the following steps will be taken in every situation, it provides a guideline of orderly attendance management. Empire’s ability to end an employment relationship at any time, with or without cause, is not in any way compromised by these procedures.

The following action(s) may be taken when an employee's occurrences reach a certain point level:

1. If an employee has three occurrences and reaches minus three (-3), he/she will be given a verbal **warning notice**.
2. If an employee accumulates four occurrences and reaches minus four (-4), he/she is subject to a written warning notice.

3. If an employee accumulates five occurrences and reaches minus five (-5), he/she is subject to a three-day unpaid suspension. No occurrence point for suspension days.

4. If an employee accumulates six occurrences and reaches minus six (-6), he/she is subject to discharge.

**No-Show, No-Call** - An employee who fails to report for work for two consecutive work days without proper notification to the Company will be considered a voluntary quit.

Nothing in this Attendance Policy precludes the at-will status of The Empire Company, Inc., and the employment relationship may be terminated at any time, with or without cause.

**INCLEMENT WEATHER AND OTHER EMERGENCIES**

In the interests of safety and the protection of our valued associates, there are times when local weather conditions or impending catastrophic conditions may require the partial or complete temporary closing of a facility. The decision to release employees or operate with a reduced work force will be made by the CEO, COO, or other designated member of the Senior Management team following input from the Operations Manager at the affected location. Other input may be sought from reliable local officials or agencies as well. Decisions will be based on the affected geographical area with due consideration of our wide-spread customer base and the need to meet customer expectations.

When an executive decision to partially or completely close has been made, it will be conveyed to Management at the site, HR at the Zeeland office, and others who may be impacted by the closure. In such cases, the guidelines below should be followed to achieve as much consistency as possible in the administration related to these occurrences.

1. If the company deems it necessary to send associates home early, hourly employees who reported for work will be paid their standard (typically 8 hours) shift on that day.

2. If the company deems it unsafe to report for work, an announcement will be made by managers to their direct reports, supervisors to their next-level reports,
etc. When practicable, an announcement will be recorded on the central number at the involved facility. Non-exempt associates will be paid for their standard shift based on the company directive.

3. Anyone who is absent due to a pre-approved request (i.e. leave of absence, vacation, jury duty, appointment or sickness, etc.) will not be affected by the company-directed closing and may not “cancel” their approved time-off request since they were not intending nor available for work.

4. Hourly employees who are required to physically report for or remain at work to meet an essential need, when they can do so with a reasonable expectation of safety as determined by management, will be recognized for their above-and-beyond efforts by receiving up to four (4) hours of compensatory paid time off for each day (2 hours for a half day), which may be taken at a date and time to be scheduled and pre-approved by the Manager as with any other time off request.

5. The head of each department will determine the need for coverage based on critical customer or production demands, and it should not be expected to be the same from one department to another. Some flexibility will be allowed in arrival/departure times when travel conditions are determined by management to warrant. The Attendance Policy and assignment of occurrence points will otherwise be applied.

6. It is the responsibility of each Department Manager to inform Human Resources in Zeeland within three days of returning to normal activity, if possible, of those individuals who have earned compensatory time, how many hours, and the date of the closure being addressed. HR will add those hours to the vacation bank of each individual.

7. Compensatory paid time off and hours paid for company-requested closures are not considered “hours worked” for purposes of overtime calculations.

8. Exempt (salaried) employees who are able to perform their work from home may do so under these conditions at the discretion of the Department Manager. Exempt associates who work from home are not eligible for compensatory time. However, key exempt employees who are required to remain during a closure or be physically present at work when others are not are eligible to receive the same compensatory hours as non-exempt employees in recognition of their extra effort to meet business requirements. This includes exempt supervisors/managers who must be present to supervise or assist those who are performing an essential function to meet critical business needs.

9. When inclement weather occurs or is predicted or when other potential emergencies arise which are not determined by executive management to warrant closing, absences will be treated the same as any other absence and occurrences and standard pay practices will be applied.

10. Finally, though it goes without saying, no amount of pay, no “job” or “company obligation” is worth the risk of a life. It is not the desire or intent of management
to place any person in jeopardy, and we do expect and insist that common sense prevail in each individual circumstance.

Questions regarding these guidelines may be directed to Human Resources or your Department Manager.

**UPDATING PERSONNEL RECORDS**

The Company maintains personnel records on all employees including such items as application forms, performance appraisals, payroll information, warning notices, and letters of commendation. Employees have a responsibility to ensure that their personnel files are up-to-date. The Human Resources Department/Office Manager should be notified immediately of any changes in name, address, telephone number, marital status, number of dependents, changes in beneficiary, or persons to be notified in case of an emergency.

**REVIEW OF PERSONNEL RECORDS**

Employees who wish to review their own personnel file may do so by submitting a written request to the Human Resources Department/Office Manager.

**RELEASE OF PERSONNEL INFORMATION**

All requests for personnel information regarding current or past employees must be referred to the Human Resources Department. It is the Company’s policy to release only information on dates of employment, job title and duties.

Employees may request that additional information be furnished for loan approval or other purposes. A signed release must be submitted to the Human Resources Department in order for the Company to comply with such a request.

**PRIVACY AND YOUR SOCIAL SECURITY NUMBER**

We believe that your social security number is personal and are committed to maintaining its confidentiality, as required by law. While a social security number is necessary to conduct ordinary business, The Empire Company, Inc. prohibits unlawful disclosure and limits access only to those who have a specific need. Empire will discipline, to the extent of the law, any person, including any third parties, failing to
abide by this policy. Where practicable, information or documents that contain social security numbers, if no longer required in the ordinary course of business, will be destroyed by document shredding.

Requests for further information about this policy should be directed to the Human Resources Department.

CONFIDENTIALITY OF COMPANY INFORMATION

All records, papers, information and documents to which any employee may have access to in the course of his/her employment are considered confidential by the Company and will be treated as such by all employees during and after the term of employment. All such records, papers, information and documents will remain the property of the Company during and after the term of employment of any and all employees. Employees will not be permitted, either directly or indirectly, under any circumstances or at any time, to disclose to any person, firm, association or corporation any confidential information acquired in the course of employment with the Company. Any or all information, including, but not limited to: ideas, concepts, discoveries, improvements, devices, processes, products, computer programs, customer list, prospect lists, and/or any other information gained by the employee during the time of employment, or received from third parties by the Company, are included within the scope of this restriction. An employee who violates this policy can be subject to disciplinary action, up to and including discharge.

MAIL AND VISITORS

Employees are requested to have all personal mail delivered to their home.

In order to ensure Company security and to reduce potential liability for injury to outsiders, visitors are not permitted on Company premises without permission. If you are expecting a visitor, please advise him/her to register at the reception desk first.

EMPLOYMENT OF RELATIVES

Although it is not encouraged within publicly traded companies, the employment of a qualified candidate who is related by blood or marriage to a current employee may work for the Company as long as their employment does not result in a direct supervisory relationship or create problems regarding morale within the business unit, security, or conflicts of interest, as determined by the COO/CEO based on sound business practice.
CONFLICTS OF INTEREST

Employees are prohibited from engaging in any activity that conflicts with the interests of the Company or its customers.

Employees should not engage in any conduct that is in any way disloyal or damaging to the Company.

A variety of situations may arise involving conflicts of interest. The above are examples and do not constitute a complete list of potential conflicts. Employees should discuss any questions or concerns with their supervisor or with the Human Resources Department.

SOLICITATIONS

The Company recognizes that employees participate in a variety of charitable activities and other worthwhile causes. It is important, however, that this participation does not interfere with your work or the work of other employees. To ensure continued efficiency of our operation, there are limitations on solicitations on Company property.

Oral solicitations by employees are prohibited during working time in work areas. Employees are permitted to engage in oral solicitations in both work and non-work areas during their non-working time, as long as the individuals being solicited are also on non-working time.

The distribution of literature of any kind by employees is prohibited in the work areas.

Persons who are not employees of the Company are not allowed to be on Company premises at any time to engage in either oral solicitation or distribution of printed or written materials.

BULLETIN BOARDS

Bulletins and bulletin boards are our “official” way of keeping you informed about new policies, procedures, and special events. They are also used to post government and other information required by law. Authorized personnel are permitted to post, remove or modify notices.

Bulletin boards are not to be used by employees to advertise any products or services.
USE AND MONITORING OF COMPANY TELEPHONES

In order to keep our telephones available for business purposes, employees are required to keep personal calls to an absolute minimum. Normally, work should not be interrupted by a personal telephone call except in the case of an emergency.

Long distance calls should either be billed to personal calling cards or placed collect.

The Company reserves the right to monitor employee telephone calls and computerized communications activity, in order to improve customer service and employee training.

The Company randomly monitors calls on telephones located in the Customer Service and Inside Sales Departments. By being employed with the Company, each employee consents to the monitoring of all telephone calls made or received on telephones located in those departments. If an employee receives a personal call on a monitored Company telephone, the employee may return the telephone call during a break or, if the telephone call is urgent, request permission from the supervisor to immediately utilize a non-monitored telephone for a personal call. The Company may maintain a limited number of non-monitored telephone extensions for personal use during breaks. You will be notified of such extensions.

SUMMARY OF INFORMATION TECHNOLOGY POLICY

Rev. August 2014

Tenon has developed an Information Technology Policy which applies to all employees, a copy of which is attached to this summary. After you have reviewed the Policy, you must sign and return to Human Resources the Information Technology Policy Acknowledgment.

Although employees are expected to review the complete Policy, this Summary highlights some important points contained in the Policy. The terms of the actual Policy, however, will control.

General Provisions:

- All information and materials created, sent, received, accessed or stored on Technology Resources are owned by the Company.
- As permitted by law, the Company has the right to monitor, access, retrieve, read, and disclose all information and materials – whether business related or personal.
- You are responsible for the care and protection of any Technology Resources issued to you.
- Any breach of the Policy may result in disciplinary action, up to and including termination.
Software:
- Do not download software, freeware or shareware onto Company computers without written authorization of the Information Technology Department (herein referred to as the “IT Department”).
- Do not copy any software without written authorization of the IT Department.
- Do not give any software to anyone outside of the Company without written authorization of the IT Department.
- Do not bring any software to the Company that does not belong to or is not licensed to the Company.
- Do not give any software to anyone outside of the Company without written authorization of the IT Department.
- You agree to abide by all the terms and conditions of any licenses provided for your use.

Electronic Devices:
- Laptop computers, PDA’s, cellular phones and tablets must not be left unattended when they are out of the office.
- Employees must engage a screen saver password or device lock code when away from the electronic device.
- Report hardware or software problems to the IT Department.

Internet and E-Mail:
- Do not transmit, receive, or store communications that are discriminatory or harassing.
- Do not use the Internet or e-mail system for illegal purposes or for purposes that are contrary to the Company’s best interest.
- Do not disclose any confidential or proprietary information.
- Do not hide the identity of the sender or represent the sender as someone else.

INFORMATION TECHNOLOGY POLICY

Revised August, 2014

The Company provides Technology Resources to assist our employees to perform their job duties. Each employee is responsible to use the Company’s Technology Resources in a manner that increases productivity, enhances the Company’s image and is respectful to other employees, customers, vendors and third parties. Failure to follow the Company’s policies regarding its Technology Resources may lead to disciplinary action up to and including termination of employment.

Technology Resources include, but are not limited to, the Company’s computer system, individual desktop computers (PCs), laptop computers, mini and mainframe computers, computer hardware, floppy disks, magnetic tapes, file servers, scanners, printers, flash drives, PDAs, tablets, software and its applications, computer software that grants access to external services such as the Internet, electronic mail, telephones, cellular phones, pagers and voice mail systems and all components of the Company’s computer network. This includes all equipment purchased, owned or leased directly or indirectly by the Company, including equipment for which an employee is reimbursed. This policy applies to this System as well as all technology-related systems and equipment as it evolves.
Employees are responsible for the appropriate use and care of all technology-related equipment. This means that equipment is not to be used in a manner inconsistent with its intended business use. Protective cases and accessories are required to be used. Employees may be held responsible for lost, stolen, or damaged equipment (beyond normal wear and tear).

Use for Business Purposes, Company Access, Review, Deletion and Disclosure

Except as provided in this policy, Technology Resources are to be used for business-related purposes only. Employees may, however, use the Technology Resources for the following incidental personal uses so long as they do not interfere with the employee’s duties, are not done for monetary gain, do not conflict with the Company’s business, have minimal impact on Technology Resources, and do not breach Company policies:

- To send and receive necessary and occasional personal communications;
- To prepare and store personal data (such as personal calendars, address list, etc.) so long as it is done in a reasonable manner;
- To utilize the telephone system for brief and necessary personal calls; and
- To access available Internet sites for brief personal searches and inquiries during meal times, breaks or outside of work hours, provided that employees adhere to all other usage policies.

The Company assumes no liability for loss, damage, destruction, disclosure or misuse of any personal data or communications stored, transmitted or received using the Technology Resources.

Employees should have no expectation of privacy with regard to messages, e-mails, or other information on the systems or transmitted through the Technology Resources. The Company treats all information, including computer files, voice-mail, e-mail messages, text messages, Internet records and telephone calls as business information. To the extent permitted by law, the Company reserves the right to monitor telephone calls to ensure appropriate customer service, to verify that information supplied to customers is valid and to ensure quality service.

The Company reserves the right to access, review, copy, modify and delete any information transmitted through or stored in Technology Resources, including e-mail, voice mail messages, text messages and any other information stored on any Technology Resources system. Monitoring may include a review of the amount of time or resources spent using on-line services and the sites visited by individual employees. The Company may disclose such information to any party (inside or outside the Company) as it deems appropriate. Disclosures may include, but are not limited to, disclosure to law enforcement, regulatory or other governmental officials, as well as to third parties in response to lawful judicial process (such as a subpoena).

Files containing personal information as a result of an employee’s personal use of Technology Resources, including e-mail messages, will be treated the same as other files, i.e., the Company reserves the right to access, review, copy, modify, delete or disclose them for any
purpose. Employees should not use the Technology Resources to send, receive or store any information that they wish to keep private.

**Confidential Information**

The Company maintains information which is confidential, proprietary or a trade secret and this may include confidential/proprietary information from third parties or customers. Therefore, employees must exercise good judgment, and adhere to the highest degree of ethical conduct and caution when transmitting confidential Company information using the Technology Resources, because of the ease of redistributing information electronically.

Confidential Company information should never be transmitted or forwarded to outside individuals or companies not authorized to receive such information nor should it be sent or forwarded to other employees inside the Company who do not need to know the information. Confidential information should not be accessed in the presence of unauthorized individuals and should never be left unattended or visible.

Employees should use care when addressing e-mail messages so that messages are not inadvertently sent to outsiders or the wrong person inside the Company. Employees should be certain when using distribution lists that all addresses are appropriate recipients of the information. Employees should ensure address lists are current.

**Passwords or other Security Identifiers**

The Company’s Technology Resources may be accessed only by entering passwords or other security identifiers. Passwords/security identifiers are intended to prevent unauthorized access to information and are not to be shared with other employees. Employees must use passwords/security identifiers made available by the Information Technology team to protect against unauthorized access to files and systems. No employee may utilize a password/security identifier or encryption system which has not been approved by the IT Department. (Note, however, that individual passwords/security identifiers do not prevent authorized Company representatives from accessing those Technology Resources.) Never disclose personal or Technology Resource passwords to anyone other than authorized Company representatives. Passwords/security identifiers should not be posted or placed in any location where they are accessible to other persons. Passwords/security identifiers are not to be shared with other employees. Employees are not to log-in on any other employee’s Technology Resources account unless a shared account has been authorized in writing by the IT Department.

**Access and Usage of Technology Resources**

You will be explicitly directed in the use of Technology Resources necessary for conducting the business functions of your position. The access or use of additional resources, including servers, applications, networks, equipment, PC’s, etc., is expressly prohibited, even if you are not explicitly prevented from accessing these resources.
**Removable Media and Back-Ups**

Flash drives, floppy disks or other removable media which includes but is not limited to CDs, DVDs, memory sticks or other writeable media may only be used when authorized in writing by the IT Department, and only for the intended purposes and information authorized by the IT Department. Media must be locked in drawers or in file cabinets to preserve the integrity and confidentiality of any sensitive data when not in use. Usage of removable media to store any company information not expressly approved in writing by the IT Department is strictly forbidden.

**Notebook Computers, PDAs, Phones or any other Portable Technology System**

Portable Technology Systems include notebook computers, PDAs, tablets (i.e. iPads), cellular phones or other Portable Technology Systems. Extra precautions must be exercised when using a notebook computer, PDA, tablet, cellular phone or other Portable Technology System. Portable Technology Systems should be password/security identifier protected. Portable Technology Systems should only be used in a secure location, especially when using or accessing confidential or proprietary information. Never leave portable devices unattended while traveling. For its protection and to limit and minimize potential damage to or theft of these devices, all Portable Technology Systems should be carried on flights as hand luggage. In the event of loss or theft of Portable Technology Systems or other related Company property, it is the responsibility of the employee to provide immediate notification to the IT Department.

**Legal Counsel-Client Privileged Communications**

Some of the material sent, received or stored on the System may constitute confidential, privileged communications between the Company and its legal counsel. Upon receipt of a message or memorandum from counsel or creation of a message to counsel, do not forward it or its contents to others inside the Company without counsel's authorization. Never forward such messages or their contents to any outsiders. When sending a confidential email to the Company's legal counsel, write in the subject line or text of the email “Legal Counsel-Client Communications.”

**Computer Software**

Because some software programs may be inappropriate or incompatible with the Company's Technology Resources or may contain viruses, do not install any software onto your PC without the prior written approval of the IT Department. **Employees are not to use any software which scrubs, erases or cleans their PC or other Technology Resources during or after their employment.**
Viruses

Be sure that Company provided virus, mal-ware or other protection software is installed and always running on your Technology Resources. Never disable this software or its updating processes. Never insert any removable media into your Technology Resource or download any files from any outside source without first checking them for viruses.

Internet and Email

This policy is intended to apply to all users of Tenon networks, including the internal, VPN, wi-fi, cellular, and wide area network environments and for use of any company provided Technology Resources. The goals of this policy are to outline appropriate and inappropriate use of Internet related resources, including the World Wide Web, electronic mail, the intranet, FTP (file transfer protocol), and USENET. Your Technology Resources provide you with access to networks around the world through these services. Use of these services is subject to the following conditions:

Your Account

Internet and e-mail access is controlled through individual accounts and passwords. Department managers are responsible to define appropriate Internet and e-mail access levels for the persons in their departments and convey that information to the IT Department.

Appropriate Use

Individuals who use Tenon’s Internet and e-mail system are expected to use the Internet and e-mails to further the goals and objectives of the Company. The types of activities that are encouraged include:

1. Communicating with fellow employees, business partners for the Company and clients within the context of an individual’s assigned responsibilities;
2. Acquiring or sharing information necessary or related to the performance of an individual’s assigned responsibilities;
3. Participating in educational or professional development activities.

Inappropriate Use

Individual Internet and e-mail use may not interfere with others’ use of the Internet. Users may not breach the network policies of any network accessed through their account. Internet and e-mail use must comply with all Federal, State or Provincial laws, all Company policy and all the related contracts. This includes, but is not limited to, the following:

1. The Internet and e-mail system may not be used for illegal or unlawful purposes such as copyright infringement, obscenity, libel, slander, fraud, defamation, plagiarism,
harassment, intimidation, forgery, impersonation, illegal gambling, soliciting for illegal pyramid schemes, and computer tampering (e.g. spreading computer viruses or other malware).

2. No offensive or disruptive communication, image or other information may be sent or forwarded using the Company’s Technology Resources. Offensive or disruptive communications, images and information include, but are not limited to those which are sexually suggestive, abusive, harassing, obscene or profane and those which are discriminatory in nature based upon race, color, creed, national origin, height, weight, age, disability, marital or veterans status or any other area protected by law.

3. Internet and e-mails may not be used in any way that breaches the policy or mission of the Company or its affiliates.

4. As outlined above, Tenon and its affiliates allow limited personal use of Technology Resources. Examples of prohibited use include mass unsolicited mailings, providing access to non-employees, employment searches, and competitive commercial activity unless pre-approved by Tenon, dissemination of chain letters, and gambling.

5. Individuals are prohibited from using messaging software such as MSN, Yahoo or AOL IM. Most messaging software installs harmful ad-ware and spy-ware by their sponsors that can be harmful to the computer and the network. Messaging Software can be used as a portal for hackers to gain control of PCs. The only exception is messaging software authorized and installed by the IT Department, currently Cisco Jabber or WebEx Connect.

6. Individuals may not view, copy, alter, or destroy data, software, documentation, or data communications belonging to Tenon or another individual without authorized permission.

7. To maintain network performance, users should not send unreasonably large electronic mail attachments (2MB or larger), solicit, receive, download, store or use any streaming media (audio or video) unless otherwise approved by management and the IT Department. This means you cannot download software, music, video, TV or other types of electronic media unless for a legitimate business purpose and pre-approved by the IT Department. This includes all wired and wireless networks, including “Guest” networks intended for visitors.

8. Users are prohibited from installing and/or using ANY gambling or online games, and Internet related software (i.e. chat programs, file sharing programs, toolbars or weather update programs)

9. No copyrighted materials are to be sent or forwarded using the Technology Resources. Any materials which are subject to copyright and have been properly downloaded from the Internet or from other storage device must be reduced to hard copy and treated in the same manner as any other copyrighted material.
**Failure to Comply**

Violations of this policy will subject the user to disciplinary actions up to and including discharge, as with other policy violations. Violations of this policy by exiting or former employees may result in prosecution to the full extent allowed by law.

**Monitoring and Filtering**

To the extent permitted by law, Tenon may monitor all of its Technology Resources, including but not limited to, the telephone system, cellular phones, text messages, voice-mail, and the Internet or email activity (both internal and external). Filtering software to limit access to sites on the Internet as well as to track all website usage is currently employed and must not be tampered with, averted or altered. If activities which do not comply with applicable law or Company policy are discovered, records retrieved may be used to document the wrongful content and/or use.

**Disclaimer**

Tenon assumes no liability for any direct or indirect damages arising from the user’s connection to the Internet or e-mail.

**E-Mail Etiquette**

Please note that your e-mail messages may be read by someone other than the person(s) to whom you send them and someday may have to be disclosed to outside parties or a court in connection with litigation. Accordingly, please create and send messages that are concise, courteous, professional and businesslike.

**Storing and Deleting E-Mails**

The Company strongly discourages the storage of large numbers of e-mail messages for a number of reasons. For example, email messages often contain confidential information; it is desirable to limit distribution and availability of this information to protect the Company’s proprietary information. Second, retention of messages fills up large amounts of storage space on the network and computers and can slow the performance of both the network and individual computers. Finally, should the Company need to do a search for genuinely important documents, the fewer documents the more economical the search will be. The Company retains the sole and exclusive authority to implement policies regarding retention, preservation and destruction of Electronic Information. Employees seeking guidance should contact the IT Department.
**Information Hold.** From time to time it may be necessary for the Company to suspend retention and deletion policies regarding Electronic Information in order to comply with its legal obligations. This is normally referred to as a “**Litigation or Information Hold**”. Employees who are notified of a “Litigation or Information Hold”, are expected and required to conform their conduct to the terms of the “Litigation or Information Hold”, including suspending any routine or periodic actions or activities that might result in the loss or deletion of Electronic Information within the scope of the Litigation/Information Hold.

The use of any data shredding, scrubbing or erasure application, whether electronic, magnetic or mechanical in nature, with respect to the Company’s Technology Resources or systems is strictly prohibited unless written authorization to do so is provided by the Head of the Company. Employees may not defragment, reimage, replace, compress or otherwise alter the form and content of any permanent storage or memory device (such as computer hard drives, flash drives, compact discs, diskettes, external hard drive or memory cards) that is part of the Company’s Technology Resources or systems except with the prior written consent of the IT Department. Routine and customary deletion of Electronic Information consistent with the Company’s policies and practices and not in violation of a Litigation/Information Hold does not fall within the scope of this paragraph.

Employees may not access the Company Technology Resources or systems using any wireless device or system except as approved in writing by the IT Department.

Employees who use personal electronic equipment such as their home computer, personal digital assistant or smart-phone to access the Company’s Technology Resources or systems are required to handle and preserve all electronic information in compliance with this policy notwithstanding the fact that the equipment is owned or possessed by the employee. To minimize unwanted intrusions upon disclosures of private or personnel-related information, employees are encouraged to use only Company-provided equipment.

**Cellular Phones, Tablets or Other Cellular Devices**

For cellular phones, tablets and data hot-spots (MiFi, JetPack, etc.), whether Company provided or reimbursed by the Company, all terms of this Policy shall apply in regards to internet usage, e-mail, voicemail, text messages, and all other electronic content (pictures, audio/video files, applications, etc.) As noted above, incidental personal usage is permitted so long as it does not interfere with the employee’s duties, is not done for monetary gain, does not conflict with the Company’s business, has minimal impact on Technology Resources, and does not breach Company policies.

Specifically for Company-provided cellular devices that include a data plan, the employee will be held responsible for any service charges associated with purchasing ring tones, applications, audio/video streaming services or any other fees incurred for services deemed to be outside of normal business usage. Furthermore, the employee may be held responsible for data overage fees in the event of excessive data usage. To minimize the possibility of excessive cellular data usage, employees are encouraged to utilize WiFi when available with their smartphone, tablet and/or laptop. Cellular data hot-spots should only be used when free WiFi access is unavailable.
Return of the Company’s Technology Resources

Employees must return all Technology Resources when requested by the Company and upon termination of their employment. Employees (current, former, or pending termination) may not use any data shredding, scrubbing or erasure application, whether, electronic, magnetic or mechanical in nature, with respect to the Company’s Technology Resources unless authorized to do so in writing by the Head of the Company. Employees may not defragment, reimaged, replace, compress or otherwise alter the form and content of any permanent storage or memory device (such as computer hard drives, flash drives, compact discs, diskettes, external hard drive or memory cards) that is part of the Company’s Technology Resources except with the prior written consent of the IT Department. Personal information stored within the guidelines of this policy on the Company’s Technology Systems will be provided to the employee or exiting employee by the IT Department within a reasonable time, upon request.

TENON SOCIAL MEDIA POLICY

With the rise of new social media platforms, heavier integration of them into our daily lives, and the next generation of communication tools, the way Tenon NA employees can communicate internally and externally continues to evolve. While we want to take advantage of these opportunities to be more effective and efficient as a company, we also need to recognize that our individual actions can and will reflect Tenon NA as a company. Above all else, we ask that every employee act in good conscience and with the utmost sense of integrity following the Tenon Code of Business Conduct and Ethics. The subsequent internet posting and social media engagement guidelines pertain to employees who use the following in any role or function:

- Multi-media and social networking websites such as Facebook, Instagram, YouTube, Vimeo, Google+, and any other current or future platform.
- Blogs (This includes both present and future, internal and external)
- Wikis such as Wikipedia and any other site where text can be posted
- Next Generation communication tools such as Basecamp, Slack, etc.

All of the following activities are referred to as “internet postings” and/or “social media engagement” in this Policy. If you ever have a question or concern in regards to an internet posting and would like guidance, feel free to contact your manager or email tenonmarketing@tenonglobal.com. For example, if you are writing a blog post about a portion of the business you have responsibility for and are the slightest bit uncomfortable about the content of the message, send the post to your manager for review prior to posting. These guidelines are put in place to not only protect the reputation of all Tenon NA organizations, but to also protect you.

Tenon Internet Posting and Social Media Engagement Guidelines

- All internet posts and social media engagements during working hours should be for one of two reasons: to learn, or to contribute.
- Know and follow the Tenon Code of Business Conduct and Ethics.
- Tenon NA employees are personally responsible for the content they publish online during and after working hours. Please be mindful that what you publish will be public.
for a long time. Protect yours and the company’s privacy and understand all website terms of service. Please keep in mind that many employers are reviewing candidate’s social media practices as evidence of character and professionalism.

- Identify yourself in all work related internet postings and social media engagements – Name and role at Tenon NA when applicable. When stating opinion you must make it clear you are speaking for yourself and not on behalf of Tenon or any Tenon organization.
- If you publish content online relevant to Tenon NA in your personal capacity, it is best to use a disclaimer such as this: “The postings on this site are my own and don’t necessarily represent Tenon’s positions, strategies, or opinions.”
- Be thoughtful and present yourself well in all internet posts and social media engagements. The lines between public and private, personal and professional, are blurred in online social networks. What you say can reflect on Tenon organizations and all employees, so please use caution. Ensure your social media profiles are up to date and adhere to Tenon NA guidelines.
- Respect and observe copyright, fair use, and financial disclosure laws.
- Do not provide Tenon’s or a customer’s, partner’s, or supplier’s confidential or other proprietary information and never discuss Tenon’s business performance or other sensitive matters about business results or plans publicly. Social media tends to blur the lines between internal and external communications, because of this please use caution and be thoughtful about your external internet posts and social media engagements.
- Do not cite or reference customers, partners, or suppliers on business related matters without their approval and that of your manager. When you do make reference, cite the source. Do not publish content that may allow inferences to be drawn which could damage any customer, partner, or supplier.
- Respect your audience. Do not use ethnic slurs, discriminatory remarks, personal insults, obscenity, or engage in any similar conduct that would not be appropriate or acceptable in any Tenon NA workplace. Honor others’ privacy. We want you to be yourself, but do so respectfully. Remember if you are questioning whether something is appropriate to write or say, err on the side of caution and leave it out of the internet post or social media engagement.
- Spirited and passionate discussions and debates are fine, but always be respectful of others and their opinions. Be humble; be the first to admit error, and correct your own mistakes at the earliest opportunity to minimize any potential misunderstandings.
- Add value in all internet posts and social media engagements. Provide worthwhile information and perspective. Tenon’s brand and reputation are best represented by its people and what you publish may reflect Tenon’s brand. Please act responsibly.
- Do not misuse Tenon logos and trademarks and only use them if you have the authority to do so. For example, you should never use the name or logo of any Tenon NA organization as your screen name or social media ID. Lastly, if you do have authorization to use a logo, please ensure it is a high quality and Marketing approved logo.
- Please proofread all internet posts and social media engagements. Poor or incomplete grammar can reflect poorly on you and the company. If there is any doubt, have a co-

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worker or manager proof your internet post or social media engagements if significant in size.
- Use your best judgment and common sense when posting or engaging in social media.
- Please, do not forget your day job! Again internet posting and social media engagement should be to learn or contribute on behalf of the company during scheduled employee working hours.

WORKING AT HOME

In unusual circumstances, employees may be scheduled to work out of their homes (also called "telecommuting") by agreement with the Company. In such cases, the employee will be required to work a full schedule, to maintain attendance records, and to furnish records of work performed.
SECTION V

EXPENSES

TRAVEL/MEAL REIMBURSEMENT

The Company will reimburse employees for reasonable travel, meals, and other business related expenses. These expenses will be reimbursed when documented and reported on the appropriate Company forms.

REIMBURSEMENT OF AUTO EXPENSES

The Company will reimburse employees for reasonable mileage and other related expenses when they use their personal cars on Company business. Current policies for travel and arrangements must be followed. Employees using personal cars for Company business must have a valid driver license and insurance coverage sufficient under Company guidelines.

MEMBERSHIP IN PROFESSIONAL OR CIVIC ORGANIZATIONS

The Company believes its employees should be active in both professional and civic organizations. Memberships may result from approval of an employee initiated request or by designation of the Company.

Employees approved for membership by the Company may be reimbursed for dues, initiation fees, meeting costs and other reasonable expenses incurred for business reasons.

CREDIT CARDS

The Empire Company may issue credit cards for employees to use to pay necessary work-related expenses. Employees using these credit cards must submit their credit card charge slips to the Company as set forth below. The following rules apply:

1. **Company provided credit cards are not to be used for personal expenses.** An employee who violates this rule is subject to discipline or discharge.
2. Credit card expenses are to be submitted along with other related business expenses on Company provided forms in accordance with the deadline dates outlined in the current expense report policy. These deadlines are determined periodically and published annually by the accounts payable department. Credit card charge slips should be attached to the related expense form with an explanation as to the nature of the expense, the date and the reason for the expense.

3. According to the expense report policy, the employee is reimbursed for submitted travel expenses. This includes all credit card transactions. Therefore the employee is responsible to make payment in full to the credit card company for the credit card statement balance. If payment is not made in full by the credit card company’s due date, all late fees and finance charges are the responsibility of the employee.

4. As noted above, personal charges are prohibited. Furthermore, employees issued such cards will be asked to sign a form agreeing that any personal or improperly made charges may be deducted from their next paycheck after the charge is discovered and that any unpaid personal charges or improperly made charges may be deducted from their final paycheck if their employment terminated for any reason. Employees remain liable for any such unpaid charges remaining after their termination.

5. Credit cards remain the property of The Empire Company and must be returned to the Company upon termination of employment.
SECTION VI
BENEFITS

ELIGIBILITY FOR BENEFITS

The Company provides a number of different benefits for full-time employees. Part-time employees are eligible for some benefits, as described below. Please contact the Human Resources Department/Office Manager with any questions about benefits or to obtain more complete information.

GROUP INSURANCE

The Company provides certain group insurance coverage for full-time employees, commencing on the first day of the month following 90 calendar days of continuous employment. Employees wishing to participate will contribute a portion of the cost by payroll deduction.

The plans are maintained pursuant to legal plan documents. In the case of a conflict between any summary and the plan document, the plan document is controlling.

The Company reserves the right to terminate or amend any benefit plan at any time or to require or change employee premium contributions.

LIFE INSURANCE

The Company provides a fixed amount of group term life and accidental death and dismemberment insurance for full-time employees commencing on the first day of the month after the employee completes 90 days of employment.

Employees may purchase additional life insurance to be paid by payroll deductions. Details are available from the Human Resources Department.

SHORT-TERM DISABILITY INSURANCE

The Company provides short-term disability insurance for full-time employees, which provides $150 weekly income for up to 90 days for employees disabled from work due to non-work related illness or injury. Employees become eligible on the first day of the
month following 90 days of employment. Benefits begin on the first day for injury, eighth day for illness. See the Benefits Summary for details.

OTHER BENEFITS

The Company provides other benefits to full-time employees including:

401(k) Retirement Plan (available to employees who work a minimum of 1,000 hours per year)

§125 Medical Reimbursement Plan

Also, full-time employees may purchase long-term disability insurance to provide benefits if an employee is disabled for a longer time due to non-work related illness or injury.

Details of these additional benefits may be obtained from the Human Resources Department and are also found in the Benefits Summary available in the Human Resources Department or from your Office Manager.

HOLIDAYS

Employees are eligible for holiday pay upon hire, provided the employee meets the requirements in this section. The Company observes the following paid holidays:

- New Year’s Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

In addition, a floating holiday is available to Michigan employees, to be used any time during the year upon their supervisor’s approval in advance. Virginia and Florida facilities observe the day after Thanksgiving as their floating holiday.

The actual day on which a holiday is observed may vary from year to year depending on the calendar. The Company posts a holiday schedule at the start of each year.

When a holiday falls on a Saturday, the preceding Friday is normally observed as the holiday. When a holiday falls on a Sunday, the following Monday is normally observed as the holiday. The Company reserves the right to determine alternative holiday arrangements and will post notice at least one month prior to the holiday in question.

The Company may choose additional days in conjunction with these holidays at its discretion.
You will be paid for the holidays provided you meet the following requirements:

1. You are a full-time employee, and

2. You would otherwise have been scheduled to work on such a day if it had not been observed as a holiday, and

3. You must work the full work day before and after the holiday to receive holiday pay for it. Scheduled or pre-approved time off is considered hours worked for purposes of meeting this requirement, but non-scheduled or non-approved time off is not.

4. If you are absent the scheduled day before or after the holiday, but you provide a physician’s statement upon your return to work with the diagnosis, date of treatment, and length of disability, you will receive pay for the holiday. The doctor’s statement requirement is consistent with the requirement in the attendance policy. Employees on medical leave of absence are not eligible for holiday pay.

Part-time employees are paid for above holidays (excluding floating holiday) on a pro-rated basis based on their normal work schedule.

If a paid holiday falls during a week in which you are on vacation, you may elect to take the workday following the last day of your vacation or the workday prior to the start of your vacation in place of the paid holiday. If you are called upon to work on a holiday, you will receive your regular compensation plus holiday pay, if eligible.

**VACATION**

A full-time employee who has been continuously employed by the Company or its predecessor is eligible for vacation in accordance with the following schedule:

1. The first calendar year - no vacation.

2. An employee is eligible for up to 80 hours vacation on the first day of the month following the first year anniversary date. The number of vacation days is subject to the month vacation eligibility begins, as shown below:

<table>
<thead>
<tr>
<th>Month</th>
<th>Hours</th>
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</thead>
<tbody>
<tr>
<td>January</td>
<td>80</td>
</tr>
<tr>
<td>February</td>
<td>72</td>
</tr>
<tr>
<td>March</td>
<td>64</td>
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<td>April</td>
<td>64</td>
</tr>
<tr>
<td>May</td>
<td>56</td>
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<tr>
<td>June</td>
<td>48</td>
</tr>
<tr>
<td>July</td>
<td>40</td>
</tr>
<tr>
<td>Month</td>
<td>Hours</td>
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</tr>
<tr>
<td>August</td>
<td>32</td>
</tr>
<tr>
<td>September</td>
<td>24*</td>
</tr>
<tr>
<td>October</td>
<td>24*</td>
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<tr>
<td>November</td>
<td>16</td>
</tr>
<tr>
<td>December</td>
<td>8</td>
</tr>
</tbody>
</table>

* March/April and September/October are correctly indicated.

**Example:** If an employee was hired July 15, 2000, his/her vacation for 2001 will be computed for the period August 1, 2001, through December 31, 2001. Using the table above, the employee is eligible for 32 hours of vacation (4 days).

3. Beginning January 1 of the next calendar year, the employee is eligible for 10 days (80 hours) of vacation each year.

4. Beginning with the calendar year immediately following the calendar year in which the employee completes 7 years of employment, the employee is eligible for 15 days (120 hours) of vacation each year.

   **Example:** If an employee completed 7 years of employment in 2000, that employee is eligible for 15 days of vacation for the calendar year beginning January 1, 2001.

5. Beginning with the calendar year immediately following the calendar year in which the employee completes 14 years of employment, the employee is eligible for 20 days (160 hours) of vacation each year.

Vacations will be paid based on the employee’s regular straight time rate of pay for a 40 hour week. **Effective March 21, 2010, vacation time will not be considered “hours worked” for calculating overtime. It will be paid at straight time rates the same as holiday and sick/personal time.**

As more employees qualify for longer vacations, it may become necessary to allow employees only two weeks vacation during the months of June through December. Such determination is made by the department supervisor, based on the needs of the Company during this period. Vacation scheduling is based on date of request and Company needs. Vacation requests must be given in writing to your supervisor.

The Empire Company feels vacations are important for the health and well-being of its employees and their families. Therefore, we encourage you to take all your vacation. However, The Company will pay employee up to one week in lieu of a vacation during a calendar year. No vacation pay will be paid for partial years worked.
Vacation time may not be carried over from one year to another. It must be taken and completed during the "vacation year" for which it is earned. Vacation may not be taken before it is earned.

**SICK DAYS**

Two sick days per year are provided for hourly employees as follows:

- **The Company will pay 50% of the unused sick days on the first pay period following the calendar year.**

- **An employee must be employed at the Company at the end of the year to be paid any unused sick days.**

- **An employee will not be paid any sick time during the last two weeks of employment.**

- **An employee earns two sick days if employed in the prior year. If hired before July 1 of the current year, the employee will receive one sick day in the second half of the current year. If hired after July 1, the employee receives no sick days in that year.**

Part-time employee vacation and sick time is computed on a prorated basis.

Earned unused vacation time may be used for sick leave, if necessary.

**EMPLOYEE ASSISTANCE PROGRAM**

The Company realizes that problems not directly associated with an employee's job function can affect his/her job performance. We believe it is in the interest of the employee and the employee's family to provide a service that deals with such problems.

The Employee Assistance Program provides a confidential method for employees to help resolve personal problems. This referral source is also available for the employee's family.

Employees are encouraged to seek counseling and information on a confidential basis by contacting the Employee Assistance Program (Encompass) at **1-800-788-8630**. You may also access their website at [www.encompass.us.com](http://www.encompass.us.com).

Employees participating in this program must also comply with Company policies and meet normal job requirements. Participation in the program will not preclude the Company from taking disciplinary action for performance problems occurring before or after the employee seeks assistance in the program.
COBRA

Pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), all terminating employees, except those terminated for “gross misconduct”, are eligible for continuation of their health insurance coverage for a period of up to 18 months following their termination. Dependents may be covered for a period of up to 36 months within the stated guidelines.

All terminating employees will receive information from the Plan Administrator regarding the insurance options available to them, along with the amount of monthly premium required to continue their medical insurance. It is the terminating employee’s responsibility to pay the monthly premium to continue this coverage. A check in the correct amount must be received within 45 days after the employee elects coverage and thereafter within 30 days after the first day of the coverage period to which it relates.

If the cost of medical coverage changes during the period of time the terminated employee is covered under the COBRA regulations, the amount of monthly premium payable by that employee may be adjusted as provided in the COBRA law.

If you have questions about COBRA, please contact the Human Resources Department or your Office Manager.
SECTION VII

LEAVES OF ABSENCE

GENERAL PROVISIONS

All leaves of absence are without pay unless otherwise provided. Leaves of absence are not to be used for the purpose of obtaining or performing other employment. An employee who gives a false reason for a leave of absence is subject to disciplinary action up to, and including, discharge.

INSURANCE CONTINUATION DURING LEAVES

Employees on medical leave and/or Family and Medical Leave will have their group insurance coverage continued for up to 12 weeks, provided they pay the required premiums as set forth below. Thereafter, the COBRA law will apply. Employees on personal leaves of absence or military leaves of less than 15 days will have their group insurance continued, subject to payment of their contribution.

MEDICAL LEAVE

Medical leave is granted upon application subject to the Company’s right to require medical certification. An employee may be on medical leave not more than 6 consecutive months, provided that the Company may extend the medical leave for up to an additional 3 months if it appears that the employee will be able to return to work within that period of time, and employment will be terminated after 6 months (or 9 months, if the time is extended). The Company may request at any time, as a condition of continuance of medical leave, proof of continuing disability. Any employee returning from more than 5 working days of medical leave is required to present a doctor’s certificate that the employee is able to perform the required work. In situations where an employee’s physical or mental condition raise a question as to the employee’s capability to perform his job, the Company may require a medical examination at Company expense and take action as appropriate based on the results of the examination.
The Family and Medical Leave Act

The Family and Medical Leave Act ("FMLA") applies to private employers which have 50 or more employees. This federal statute provides that an eligible employee may take up to 12 workweeks unpaid of leave during a 12-month period upon written application and approval in the following situations:

1. For the birth, placement for adoption or foster care of a child, and to care for the child,

2. To care for the employee's child, spouse, or parent with a serious health condition, and

3. Because of a serious health condition that makes the employee unable to perform one or more of the essential functions of the employee's job.

The 12 month period during which leave must be taken is a 12 month rolling period measured backward from the date the leave is used.

Definitions for purposes of an employee qualifying for FMLA leave:

1. "Eligible employee" is an employee who has been employed by us for at least 12 months, has worked at least 1,250 hours during the 12 months immediately preceding the date the leave commences, and is employed at a worksite where 50 or more employees are employed by the Company within 75 miles of that worksite.

2. "Son" or "daughter" is a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is either under age 18, or age 18 or older and incapable of self-care due to a mental or physical disability.

3. "Parent" means the employee's biological parent or an individual who stood in loco parentis to an employee when the employee was a child. The term does not include parents-in-law.

4. "Spouse" is a husband or wife through marriage and a common-law spouse in states which recognize common-law marriage.

5. "Serious health condition" means any illness, injury, impairment, or physical or mental condition that involves:
1) In-patient care in a hospital, hospice, or residential medical care facility, including any period of incapacity or subsequent treatment in connection with such in-patient care, or

2) Continuing treatment by a health care provider.

6. A serious health care condition involving “continuing treatment by a health care provider” involves one or more of the following:

1) A period of incapacity of more than three consecutive calendar days and any subsequent treatment or period of incapacity relating to the same condition that also involves:
   
a) Treatment two or more times by a health care provider, or

   b) Treatment by a health care provider on at least one occasion which results in a regiment of continuing treatment under supervision of the health care provider.

2) any period of incapacity due to pregnancy or for prenatal care.

3) Any period of incapacity or treatment for such incapacity due to a chronic serious health condition, which is one which:

   a) Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant supervised by the provider, and

   b) Continues over an extended period of time (including recurring episodes), and

   c) May cause episodic rather than a continuing period of incapacity (such as asthma, diabetes, etc.).

4) A period of incapacity which is permanent or long term for which treatment may not be effective.

5) Any period of absence to receive multiple treatments, by a health care provider or by a provider of health care services under orders of a health care provider either for restorative surgery, or for a condition that would likely result in a period of incapacity of more than three days in the absence of medical intervention or treatment.

Requests for FMLA

Requests for FMLA should be made at least 30 days in advance before the FMLA is to begin if the need for the leave is foreseeable based on an expected birth, placement for
adoption, or for a serious health condition of the employee or of a family member. If 30 days’ notice is not practicable, notice must be given as soon as practicable.

The Company may designate FMLA qualifying absences as FMLA leave even if the employee did not request it.

Relationship to Other Leave

The above provisions are not intended to lengthen any other leaves. Any other type of leave given to an employee for one of the reasons stated in this FMLA section of the Handbook will be considered to be a leave under this section, which will run concurrently with the other leave taken.

Substitution of Paid Leave for Unpaid FMLA Leave

The Company will require employees using FMLA leave to substitute paid vacation leave available to them for unpaid leave under FMLA. This will not be required in situations where the employee could not use such leave.

Spouses

If the Company employs both the husband and wife, the husband and wife are entitled to leave for an aggregate of 12 unpaid workweeks during a 12-month period if the leave is taken due to the birth of the employees’ child or to care for the newborn child, or for the placement with the employee of a child for adoption or foster care, or in order to care for a parent with a serious health condition.

Medical Certification

When an employee requests FMLA leave to care for a child, spouse, or parent with a serious health condition, or due to the employee’s serious health condition, the Company may require the employee to provide a medical certification from a health care provider on a form available from Human Resources. You will need to fill out the form in a timely manner.

If the Company has a reasonable basis to doubt the validity of the medical certification, it may require the employee to obtain a second medical certification from a health-care provider designated by the Company, who is not a health-care provider that the Company uses on a regular basis.

If the first and second certifications conflict, the Company may require a third certification, at Company expense, from a health-care provider agreed upon by the Company and the employee. The certification is binding on the employee and the Company.

Re-certification and Fitness for Duty
The Company may require that employees on leave due to a serious health condition or due to the serious health condition of their child, spouse, or parent, provide re-certifications of the serious health condition every 30 days during the leave, or as otherwise provided in the Federal Regulations. Employees on leave under this policy due to their own serious health condition will be required to provide a fitness-for-duty certification before returning to work, if they have been on leave for more than 5 working days.

**Maintenance of Group Health Care Benefits**

Subject to the terms, conditions, and limitations of the applicable plans, group health care insurance will be provided to an employee under this policy during the period of any leave for which the employee is eligible for FMLA leave. If you normally pay a portion of the premiums for your health insurance, these payments will continue during the period of FMLA leave. If an eligible employee fails to return from leave under this policy, the Company reserves the right to recover health care premiums paid during the leave, where permitted by law.

**Reinstatement**

Any employee taking FMLA leave is entitled to be reinstated to the position the employee held prior to taking the leave or to an equivalent position, with equivalent employment benefits, pay, and other terms and conditions of employment. No benefits accrued prior to the date on which the leave commenced will be lost as a result of taking the leave. However, except as to group health care insurance benefits, all other benefits and benefit accruals will be suspended during the leave and will resume upon return to active employment at the end of the leave. No employee on leave will be entitled to any right, benefit, or position of employment other than any right, benefit or position to which the employee would have been entitled had the employee not taken the leave.

The Family and Medical Leave Act is lengthy, and there are numerous regulations. Further information may be obtained from the Human Resources Department/Office Manager.

**PERSONAL LEAVE**

In special circumstances, requests for personal leaves of absence without pay may be granted on an individual basis in the discretion of the Company. This leave will not be granted for the purpose of taking employment elsewhere or going into business for oneself.

Except for emergency situations, requests for personal leave should be submitted in writing to your supervisor at least 30 days prior to the proposed start date. The request must explain the reason for the leave and indicate the expected date of return. The period of leave allowed is left to management’s discretion.
MILITARY LEAVE

The Company provides leaves of absence without pay for military or reserve duty. Employees who are called or who volunteer for active military duty, the Reserves, or the National Guard should submit copies of their military orders to their supervisor as early as possible.

Employees entering military service will be given a military leave of absence without pay for the period of the service.

Employees who are reservists or members of the National Guard will be paid the difference between their military pay and their weekly pay rate during the leave for required military training, up to a maximum of two weeks per year.

The Company will observe all federal and state laws in determining eligibility for reinstatement.

MILITARY LEAVE - POLICY

This policy is adopted in compliance with the Uniformed Services Employment and Reemployment Rights Act (USERRA), and becomes a part of the employee handbook effective January 1, 2003.

General

An employee shall be granted military leave as specified below, provided that the employee gives advance verbal or written notice of the leave except when such notice is precluded by military necessity or impossibility. In the granting of such leave, the company may require verification of an employee’s military orders.

Requesting Military Leave

Notify your supervisor immediately when you receive your military order or duty training document. A Leave of Absence Request Form must be completed and submitted to your supervisor at least 30 calendar days prior to commencement of leave unless it is not possible to do so.

Duration of Leave

Leave shall be granted for inactive reserve training duty in accordance with the specified orders (i.e. weekend drills and annual active duty training).

Extended military leave will be granted up to five years when an employee is ordered into active duty service by the Federal government.
Reinstatement

Following release from military service, an employee shall have such right to return in accordance with the following conditions and providing the employee must not have been released from service under dishonorable or other punitive conditions:

- **If the employee has served less than 31 days**
  By the beginning of the first regularly scheduled work period after the end of the calendar day of duty plus time required to return home safely and an eight hour rest period.

- **If the employee has served 30 to 180 days**
  Application for re-employment must be submitted no later than 14 calendar days after completion of service. If this is impossible or unreasonable through no fault of the employee, then as soon as possible.

- **If the employee has served 181 days or more**
  Application for re-employment must be submitted no later than 90 calendar days after completion of military service.

- **If the employee has a service-connected injury or illness**
  Reporting or application deadlines are extended for up to two additional years for persons who are hospitalized or convalescing.

Maintenance of Benefits

Group Health Care benefits will continue for the first 30 calendar days of leave. Service members and their families can elect Consolidated Omnibus Budget Reconciliation Act (COBRA) benefits for up to eighteen months of leave, if eligible. See your health plan Summary Plan Description for further information regarding your rights and responsibilities under COBRA.

Upon return to active employment at Empire, your benefits will be reinstated without a waiting period unless precluded by the terms and conditions contained in the individual plans at that time.

Time spent on military leave will be credited to all employees toward meeting length-of-service requirements as contained in The Empire Company, Inc. Profit Sharing 401(k) Plan, in accordance with the terms and conditions then in effect in the plan.

Accrual of vacation time and any other paid time off will recommence upon return to active employment with the Company. No holiday pay will be issued during the period of the leave.
Retention Rights

The Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA") provides that an individual inducted into the armed forces who is then re-employed has certain retention rights (cannot be discharged without cause) on the following basis:

- For individuals absent for 180 days or more, the retention rights last one year
- For service between 30 and 180 days, the retention rights last for six months
- For service 29 days or less, the retention rights last for a period equal to the period of active military service.

JURY / WITNESS DUTY

The Company will cooperate fully with local, state and federal courts by providing leaves of absence for jury duty to all regular employees.

All full-time employees will receive payment of the difference between their regular wages and their jury duty compensation. You are to turn in your jury pay to the Human Resources Department the week it is received.

Employees will be given time off to appear in court as a witness if they are subpoenaed.

BEREAVEMENT LEAVE

After you have been an employee of the Company for 30 days, you will be entitled to take up to three work days with pay in the event of a death in the immediate family. "Immediate family" is defined as mother, father, brother, sister, husband, wife, son, daughter, step-child, mother or father of current spouse, current son-in-law or daughter-in-law, brother or sister of current spouse or grandparent.

With supervisor approval, an employee may take up to one full day without pay to attend the funeral of other relatives and friends.
SECTION VIII

EMPLOYEE PERFORMANCE

PERFORMANCE REVIEW AND EVALUATION

The Company believes that employees need feedback on their performance.

Supervisors will complete performance reviews at least on an annual basis for all employees. Reviews will normally be completed as close to the employee’s anniversary date as possible.

A review does not necessarily mean an increase in pay, but it is usually conducted for this purpose and to assess growth and progress.

In addition to regular performance reviews, written reviews may be completed in the event of transfers, increases in the duties and responsibilities, promotions or whenever such reviews are deemed appropriate.

All reviews will be based on overall job performance and will be completed as fairly and as objectively as possible.

Following discussion of the performance review with the supervisor, employees will be given the opportunity to add their written comments to the form.

DISCIPLINE

The purpose of discipline is to obtain a level of employee performance and productivity that meets Company standards. All employees are expected to conform to certain standards of conduct to ensure the orderly and efficient operation of our Company. This discipline section serves as a guideline only in determining the appropriate action needed for each specific situation. The Company has the right to:

1. Review each situation in its entirety,
2. Deviate from this policy whenever deemed necessary, and
3. Employ at-will.

Employees who fail to comply with work rules and standards will be subject to disciplinary action. A progressive disciplinary procedure may be followed. However, in
certain circumstances, and depending on the severity of the offense, immediate termination could result. The Company also maintains the right to terminate employment “at-will” at any time.

In determining appropriate disciplinary action, management will consider such things as the impact of the offense on the Company, the extent of damage or harm caused, the employee’s work record, and the circumstances of the offense, as well as any mitigating circumstances. Disciplinary actions may include verbal reprimand, written reprimand, suspension, and/or discharge. Management reserves the right to start at any level of progressive discipline and the right to skip levels when it has determined it to be warranted.

Any disciplinary action taken against an employee will be fully documented and kept on record in the employee’s personnel file in the Human Resources Department.

**DISCHARGE/TERMINATION**

The Company follows the policy of employment at-will, which means that employees can be terminated and can terminate with or without cause, and with or without notice, at the option of either the Company or the employee, except as prohibited by law.

In order to minimize situations that may lead to the termination of employment, we suggest employees review the sections in this handbook that discuss discipline, work rules, absenteeism, and tardiness.

Although the Company may use progressive discipline when it determines that to be appropriate, it also reserves the right to discharge employees without such progressive discipline.

At the time of termination, the employee will be required to return all Company property.
We believe rules of conduct are necessary for any group of people working together. The Empire Company (“Company”) rules are set up to protect the rights and safety of the employees and the Company.

Violation of the Rules of Conduct will subject an employee to disciplinary action ranging from verbal reprimand to immediate discharge, depending on the seriousness of the offense and the employee’s previous disciplinary record. When progressive discipline is used, the Company does not start a new progression for each separate rule violation. A combination of work rule violations will be dealt with according to the circumstances of each case and may result in discharge.

The following will be violations of Company rules:

1. Unauthorized possession of Company property or products.

2. Theft or misappropriation of Company property, another employee’s property or property entrusted to the Company.

3. Deliberately damaging, misusing, destroying, abusing or misplacing property belonging to the Company or another employee.

4. Deliberately restricting or limiting production, or influencing others to do so.

5. Disorderly conduct, horseplay, threatening, abusing or interfering with another employee or supervisor.

6. Assaulting any employee or supervisor or fighting, or promoting or instigating a fight, on Company premises at any time.

7. Sabotage.

8. Insubordination -- defined as the refusal or intentional failure to perform a job assignment or follow instructions. All employees are expected to follow instructions and/or perform the job assigned. Any complaint may be taken up through the proper procedure.


10. Immoral or indecent conduct.
11. Conviction of a felony while a Company employee (whether appealed or reversed) or unable to report to work because jailed or imprisoned for a period in excess of 5 working days.

12. Use or possession of intoxicants or drugs on Company premises, or reporting for work while under the influence of intoxicants or drugs, or other violation of the Company’s Substance Abuse Policy.

13. Unauthorized possession of firearms or other weapons on Company premises.

14. Violation of the Company’s harassment or sexual harassment policy.

15. Submitting false time card information.

16. Failure to properly report for work without notifying the Company before the normal starting time.

17. Failure to properly report to work without showing good cause for not reporting, or making false statements as to cause for being absent or for not properly reporting.

18. Failure or refusal to work overtime when assigned or scheduled, unless excused by the Company.

19. Leaving Company premises on Company time without supervisor’s permission.

20. Failure to promptly report and start work after lunch break and rest periods.

21. Failure to immediately report accidents or personal injuries.

22. Falsification of production records, personnel records or any other Company records or reports.

23. Loss of driver’s license if required by job duties, unless otherwise assigned by the Company, in its discretion.

24. Deliberately recording time for another employee.

25. Repeated failure to properly record and submit time worked in accordance with Company procedures.

26. Unauthorized entering or leaving the Company premises for any purpose other than to perform regularly assigned work.
27. Misuse, removal from the premises, or disclosing without proper authorization any employee list, Company record or Company confidential information of any nature.

28. The making or publishing of any false, vicious, malicious or disparaging statement concerning any employee, supervisor, the Company, or its work or products.

29. Posting or removal of notices on Company bulletin boards without specific approval of the Company.

30. Loitering or loafing on Company premises.

31. Distracting the attention of others or causing confusion by unnecessary shouting, catcalls or demonstrations on Company premises.

32. Use of offensive or abusive language to any employee, supervisor, vendor or customer.

33. Gambling on Company premises.

34. Creating or contributing to unsanitary conditions.

35. Careless or negligent workmanship, failure to meet work standards, or poor performance.

36. Discourteous conduct towards customers.

37. Violating safety rules or safety work practices.

38. Smoking in no-smoking areas.

If the Company establishes additional rules, employees will be notified. If circumstances arise which are not specifically covered by these rules and regulations, the Company may take appropriate disciplinary action.
AMENDMENTS

TO: All Employees

FROM: Jean Mulford
Director of Human Resources

RE: Community Service Leave

Because Empire values its employees and appreciates the varied ways they contribute to the communities in which they live and work, we have adopted the following Amendment to The Empire Company, Inc., Personnel Policies & Employee Handbook dated January 1, 2001.

COMMUNITY SERVICE LEAVE

Policy:

In recognition of the diverse need for volunteers to support our communities through volunteer efforts with Community Service Organizations, employees who meet the parameters set forth herein may be granted one day of paid time off per calendar year for Community Service Leave. Community Service leave may not be carried over from one year to the next. After completion of 12 months of service with Empire, a full-time employee shall become eligible for one paid day of Community Service Leave each year. The employee must submit a written request for such leave to his/her supervisor, and the scheduling of the leave must be approved by the Supervisor based on business needs. Leave may be taken in full- or half-day increments and must be approved at least one week in advance. The Community Service Leave is intended to allow employees to become volunteers in charitable activities within their communities. Community Service leave is to be used in a manner that will further the good of the community or assist the less fortunate members of society, not including family members. This leave may not be utilized to attend school functions with your children or other family members. A Community Service Organization is defined as a non-profit, non-partisan community organization which is designated as an IRS 501 (c) (3) agency or a human service organization licensed or accredited to serve citizens with special needs. Adequate substantiation of participation will be required upon completion of the service. Activities must be totally voluntary and may not result in personal financial gain. An employee’s decision to volunteer is strictly optional and voluntary. An employee’s decision to either participate or not participate will not impact their working conditions or employment. Hours used for Community Service will not count as hours worked for overtime calculation as this is strictly a voluntary activity on behalf of the employee.

This amendment is effective: April 1, 2007.

Signed by: Tom B. Highley, President
CODE OF BUSINESS CONDUCT AND ETHICS

1. STATEMENT OF BUSINESS PURPOSE AND VALUES

Tenon is devoted to creating superior shareholder value. Our key principles, what we believe, are:

- Serving the customer drives what we do;
- We are a company with an overriding commitment to operational discipline, continuous improvement, efficiency and strategic execution;
- Our two primary measures of success are customer satisfaction and earnings performance/real cash generation;
- We strive to provide our people with the room and resources they need to grow;
- We desire to positively impact the communities in which we do business;
- We operate with integrity, managing our people by stressing openness, communication, commitment, innovation, coordinated delegation of authority, responsibility and accountability;
- We are committed to being ethical and socially responsible, acting within the laws of the countries we operate in;
- We believe our reputation is as important as the products we sell, and that our future depends on maintaining that reputation;
- We are committed to maintaining a high standard of safety and environmental performance;
- We are committed to Tenon’s core values of:
  - competitiveness
  - embracing innovation and change
  - being customer driven
  - continuous improvement
  - positive effort
  - teamwork
  - positive attitude
  - high integrity
  - respect for the environment and safety

Tenon believes its business decisions should always reflect its values and Tenon’s legal obligations.

All employees of the Tenon Group of companies worldwide are expected to work within the Tenon Code of Business Conduct and Ethics, and to ensure that in doing business Tenon continues to maintain and grow its reputation as a respected company in the countries in which it operates.
2. ETHICS

As an employee of Tenon you will not do anything in your work that may discredit Tenon or any of its employees. You will act professionally and ethically to maintain the good reputation of Tenon and its people.

3. CONFLICT OF INTEREST

Employees must avoid conflicts of interest when working for Tenon. You will have a conflict of interest if you are involved in any activity which:

- conflicts with your ability to carry out responsibilities towards Tenon;
- puts you in competition with Tenon; or
- benefits anyone who is in competition with Tenon.

Examples include accepting positions or work with other organisations, and investment activities, or acceptance of inappropriate gifts or favours. Before a conflict of interest arises employees should speak to their reporting manager, who will then discuss the issue with the appropriate Tenon executive. Employees must have the prior approval of Tenon to a conflict of interest.

4. CONFIDENTIALITY OF TENON’S INFORMATION

Employees must protect the confidentiality of Tenon’s business information. Employees must not discuss Tenon’s confidential information with others, or use that information for their own benefit or for the benefit of others, whether during their employment or afterwards.

5. TRADE PRACTICES

Tenon is committed to dealing ethically and fairly with its customers, delivering high quality products and services.

In addition, as a consumer-orientated company Tenon must ensure that it complies with all trade and unfair practices laws and regulations in all the markets in which it operates.

Accordingly, employees need to be particularly scrupulous in their business activities and dealings. Breaches of trade practices legislation could lead to substantial fines being imposed on both Tenon and individual employees.

6. EMPLOYMENT EQUITY

Tenon is an equal opportunity employer and recognises the value to Tenon of having a diverse workforce. Tenon will recruit, promote and treat its people without
discrimination, based on its values of respect and dignity for the individual and on the individual’s qualifications and ability to do the job.

7. DISCRIMINATION AND SEXUAL HARASSMENT

Tenon will not tolerate any form of discrimination or sexual harassment. Sexual harassment is unlawful and is destructive to the work environment and ultimately work performance. Tenon will treat all discrimination or sexual harassment complaints seriously and will attend to and investigate complaints promptly, confidentially and impartially.

8. DRUG AND ALCOHOL POLICY

Tenon is committed to creating a drug and alcohol free workplace to safely achieve its business objectives. This commitment:

− supports the Tenon values
− is part of the way we work
− achieves a healthier and safer workplace and workforce

Tenon will support our people in achieving this goal through the following initiatives:

- Voluntary Rehabilitation
- Pre-employment Testing
- Post-Accident or Incident Testing
- Reasonable Cause Testing
- Random Drug Testing

Therefore, alcohol is generally not permitted on Tenon sites where operational activities take place. However exceptions may be made with the prior approval of the Chief Operating Officer for entertainment purposes only.

9. HEALTH AND SAFETY

Tenon is committed to maintaining a safe and healthy workplace, and is committed to an environment of “zero harm” to its employees, contractors and visitors.

We will operate our business so that we meet or exceed statutory health and safety requirements; and we will establish additional standards where required.

We will develop and implement Best Management Practices, and in particular, we will identify, control, monitor and review work-related health and safety hazards.
We are committed to employee involvement in developing and reviewing health and safety management practices.

We will consider effects on health and safety in planning for any new developments, products and services and for any process reviews.

Tenon is committed to training managers, employees, partners, contractors and third parties to ensure that they are competent in meeting Tenon’s health and safety standards.

Tenon actively monitors audits and reviews procedures, processes and management systems, including objectives and targets, to ensure continuous improvement in health and safety performance.

Accountability for this policy and compliance with Tenon’s health and safety standards lies with all Tenon’s employees.

10. ENVIRONMENT

Tenon is committed to a high standard of responsible management of the environmental impact of its operations. Its commitment extends beyond strict commercial or regulatory requirements. Tenon will give environmental considerations equal status with its primary business objectives.

Tenon monitors and audits the environmental effects and performance of its manufacturing operations to ensure work is carried out in a manner consistent with the law and Tenon’s own requirements.

11. COMPLIANCE WITH LEGAL OBLIGATIONS

Tenon and its employees will comply with all the laws of the various countries in which it operates. It is important that Tenon and its employees understand and comply with all these laws, including, for example, competition laws and laws that address employment discrimination.

Employees must also not engage in any activity outside the workplace likely to bring Tenon into disrepute by association with the employee.

In addition, Tenon is subject to information disclosure obligations, which are designed to ensure that the New Zealand Stock Exchange on which Tenon’s shares are publicly traded are fully and effectively informed about Tenon’s business. Tenon has
comprehensive policies and procedures in place to ensure compliance with information disclosure obligations and which are available to all employees. Tenon provides training to its employees in the area of legal compliance and it is important that Tenon’s employees participate in such training.

12. INSIDER TRADING

Employees must comply with insider trading laws. Using "inside information" (i.e. information which has not yet been made public about Tenon or another publicly listed company) for personal gain by buying or selling shares, or by passing the information on to third parties, or encouraging third parties to trade or hold Tenon’s shares when you hold inside information, is illegal. To help you understand your obligations when you have "inside information" Tenon has a strict internal compliance code, which is available to all employees and which must be followed at all times.

13. DISCLOSURE OF ILLEGAL OR UNETHICAL CONDUCT

Employees are responsible for reporting, and third parties with whom Tenon interacts with are encouraged to report, to the Chairman of the board of directors of Tenon Limited (telephone (64) 9 356 9805), any illegal or unethical conduct, including breaches of this Code, and shall be free to do so without fear of retribution or adverse action on the part of Tenon. Tenon will investigate all reports of unlawful or unethical practices.

14. USE OF TENON ASSETS

Employees should respect Tenon’s property and use Tenon’s assets – including computers and related information technology assets – only in accordance with established Tenon policies.

15. FINANCIAL ANALYSIS, REPORTING AND SYSTEMS

Senior Executives and other employees who have responsibility for financial analysis, reporting and systems shall at all times exhibit and promote the highest standards of professional, honest and ethical conduct that:

- encourages and rewards professional integrity in all aspects of the financial organisation;
- eliminates barriers to responsible behaviour;
- promotes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
ensures that business transactions are properly authorised and completely and accurately recorded on Tenon’s books in accordance with Generally Accepted Accounting Principles and established Tenon policy;

ensures the retention or disposal of Tenon’s records in accordance with established financial policies and applicable legal and regulatory requirements;

ensures that Tenon’s auditor is not improperly influenced for the purpose of rendering financial statements materially misleading;

ensures all financial communications and reports are delivered in accordance with all legal and accounting requirements, and fairly and accurately state the results of Tenon;

promotes the continuing education of the finance organisation in all matters affecting the operation of the finance organisation and Tenon generally;

requires members of the financial organisation to inform senior management, or, in appropriate circumstances the Audit Committee, of deviations from policies and procedures governing the operation of Tenon’s financial systems and reporting; and

reports and corrects in a prompt manner any detected deviations from accounting, legal or policy requirements.

16. BREACH OF THIS CODE

A breach of any of the provisions of the Code of Business Conduct and Ethics may amount to a serious breach of the terms of your employment with Tenon which could result in immediate termination of your employment and without notice or any compensation.

Further Information and Contacts. The provisions of this Code of Business Conduct and Ethics are in addition to any company policies and terms of employment relevant in each employee’s country and are to be read subject to any laws in the employee’s country. If you have any questions in relation to this Code of Business Conduct and Ethics you should contact your manager or the Tenon General Manager Corporate.

Approved by the Tenon Board
17 September 2014
ACKNOWLEDGMENT OF RECEIPT

I acknowledge the receipt of The Empire Company’s (the “Company”) Employee Handbook. I understand that it is my responsibility to read and to become familiar with the contents of the Handbook, and to recognize and comply with the policies, rules and guidelines contained in it. I understand and agree that the Company may revise, rescind or modify any portion of the Handbook at any time and that I shall be bound by such change. Should I ever have any questions about the policies set forth, I will contact my supervisor or the Human Resources Department for clarification.

I understand that my employment can be terminated, with or without cause, and with or without notice, at any time, at the option of either the Company or myself. I further understand that no supervisor, manager, or representative of the Company, other than the Chief Executive Officer, has any authority to enter into any agreement for employment for any specific time, or to make any agreement contrary to the foregoing, and that any such agreement by the Chief Executive Officer must be in writing and signed by him in order to be valid.

**I have also received the following amendment:**

**Vacation Policy Clarification**

__________________________________________
Employee Printed Name

__________________________________________  __________________________
Employee’s Signature  Date