

# Employee Handbook

## Whitworth Tool, Inc.

114 Industrial Park Ln.  
Hardinsburg, KY 40143  
270.756.0098



*Whitworth Tool is an **ISO 9001:2015**  
and an **ISO9001: 2008** accredited machine shop.*

# Whitworth Tool, Inc.

## Employee Handbook Rev. 3

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## **Welcome to Whitworth Tool, Inc.!**

We believe that every employee helps to make Whitworth Tool, Inc. successful. We hope that you will be proud to be a member of our team.

This handbook describes many of our policies. The handbook also outlines many of the programs and benefits available to eligible employees.

The handbook will answer many questions you may have about your employment at Whitworth Tool, Inc. We suggest that you become familiar with the handbook as soon as possible.

We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

Sincerely,

*Whitworth Tool, Inc. Management Team*

### **INTRODUCTORY STATEMENT**

This handbook is designed to acquaint you with Whitworth Tool, Inc. and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by Whitworth Tool, Inc. to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

No employee handbook can anticipate every circumstance or question about policy. As Whitworth Tool, Inc. continues to grow, the need may arise and Whitworth Tool, Inc. reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time as it deems appropriate, in its sole and absolute discretion. The only exception to any changes is our employment-at-will policy permitting you or Whitworth Tool, Inc. to end our relationship for any reason at any time. Employees will, of course, be notified of such changes to the handbook as they occur.

#### ***Definitions***

Regular full-time employees- Employees regularly working 30 or more hours.

Pay Period- Sunday through Saturday

Holiday- Time is given to recognize the days listed under Section 303b.

### **CUSTOMER RELATIONS**

Customers are among our organization's most valuable assets. Every employee represents Whitworth Tool, Inc. to our customers and the public. The way we do our jobs presents an image of our entire organization. Customers judge all of us by how they are treated by each employee contact. Therefore, one of our first business priorities is to assist any customer or potential customer. Nothing is more important than being courteous, friendly, helpful, and prompt in the attention you give to customers.

Our personal contact with the public, our manners on the telephone, and the communications we send to customers are a reflection not only of ourselves but also of the professionalism of Whitworth Tool, Inc. Positive customer relations not only enhance the public's perception or image of Whitworth Tool, Inc. but also pay off in greater customer loyalty and increased sales and profit.

### **101 Nature of Employment**

Effective Date: 7/1/2005

Employment with Whitworth Tool, Inc. is voluntarily entered into, and the employee is free to resign at will at any time, with or without cause. Similarly, Whitworth Tool, Inc. may terminate the employment relationship at will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

Policies set forth in this handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between Whitworth Tool, Inc. and any of its employees. The provisions of the handbook have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or canceled at any time, at Whitworth Tool, Inc.'s sole discretion.

These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the chief executive officer of Whitworth Tool, Inc.

### **102 Employee Relations**

Effective Date: 7/1/2005

We believe that the work conditions, wages, and benefits we offer to Whitworth Tool, Inc. employees are competitive with those offered by other employers in this area and in this industry. If you have concerns about work conditions or compensation, we strongly encourage you to express these concerns openly and directly to your supervisor.

Our experience has shown that when employees deal openly and directly with management, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that Whitworth Tool, Inc. fully demonstrates its commitment to employees by responding effectively to employee concerns.

### **103 Equal Employment Opportunity**

Effective Date: 7/1/2005

To give equal employment and advancement opportunities to all people, we make employment decisions at Whitworth Tool, Inc. based on each person's performance, qualifications, and abilities. Whitworth Tool, Inc. does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, or any other characteristic protected by law. Our Equal Employment Opportunity policy covers all employment practices, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

If you have a question about any type of discrimination at work, talk with your immediate supervisor or the Director of Operations. You will not be punished for asking questions about this. Also, if we find out that anyone was illegally discriminating, that person will be subject to disciplinary action, up to and including termination of employment.

### **104 Business Ethics and Conduct**

Effective Date: 7/1/2005

We expect Whitworth Tool, Inc. employees to be ethical in their conduct. It affects our reputation and success. Whitworth Tool, Inc. requires employees to carefully follow all laws and regulations, and have the highest standards of conduct and personal integrity.

Our continued success depends on our customers' trust. Employees owe a duty to Whitworth Tool, Inc., our customers, and shareholders to act in ways that will earn the continued trust and confidence of the public.

As an organization, Whitworth Tool, Inc. will comply with all applicable laws and regulations. We expect all directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to not do anything that is illegal, dishonest, or unethical.

If you use good judgment and follow high ethical principles, you will make the right decisions. However, if you are not sure if an action is ethical or proper, you should discuss the matter openly with your supervisor. If necessary, you may also contact the Director of Operations for advice and consultation.

It is the responsibility of every Whitworth Tool, Inc. employee to comply with our policy of business ethics and conduct. Employees who ignore or do not comply with this standard of business ethics and conduct may be subject to disciplinary action, up to and including possible termination of employment.

### **107 Immigration Law Compliance**

Effective Date: 7/1/2005

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

Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

### **108 Conflicts of Interest**

Effective Date: 7/1/2005

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which Whitworth Tool, Inc. wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Director of Operations for more information or questions about conflicts of interest.

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of Whitworth Tool, Inc. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes; product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific executive-level approval.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in personal gain for that employee or for a relative as a result of Whitworth Tool, Inc.'s business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to an officer of Whitworth Tool, Inc. as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties. Personal gain may result not only in cases where an employee or relative has significant ownership in a firm with which Whitworth Tool, Inc. does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving Whitworth Tool, Inc.

### **110 Outside Employment**

Effective Date: 7/1/2005

Employees may hold outside jobs as long as they meet the performance standards of their job with Whitworth Tool, Inc. All employees will be judged by the same performance standards and will be subject to Whitworth Tool, Inc.'s scheduling demands, regardless of any existing outside work requirements.

If Whitworth Tool, Inc. determines that an employee's outside work interferes with performance or the ability to meet the requirements of Whitworth Tool, Inc. as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with Whitworth Tool, Inc.

Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or material gain from individuals outside Whitworth Tool, Inc. for materials produced or services rendered while performing their jobs.

### **202 Access to Personnel Files**

Effective Date: 7/1/2005

Whitworth Tool, Inc. keeps personnel files on all employees. The personnel files include the job applications and related hiring documents, training records, performance documentation, salary history, and other employment records.

Personnel files are the property of Whitworth Tool, Inc. Because personnel files contain confidential information, the only people who can see them are people with legitimate business reasons. If you wish to review your own file, contact the Human Resources Department. You will need to give advance notice if you wish to see your file. You may review your file only when a representative of Whitworth Tool, Inc. is also present.

### **203 Employment Reference Checks**

Effective Date: 1/1/2007

To ensure that individuals who join Whitworth Tool, Inc. are well qualified and have a strong potential to be productive and successful, it is the policy of Whitworth Tool, Inc. to check the employment references of new applicants if deemed necessary.

The Management will respond in writing only to those reference check inquiries that are submitted in writing. Responses to such inquiries will confirm only dates of employment, wage rates, and position(s) held. No employment data will be released without written authorization and release signed by the individual who is the subject of the inquiry.

### **204 Personnel Data Changes**

Effective Date: 7/1/2005

It is the responsibility of each employee to promptly notify Whitworth Tool, Inc. of any changes in personnel data. Personal mailing addresses, telephone numbers, numbers and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports should be accurate and current at all times. If any personnel data has changed, notify Human Resources.

### **208 Employment Applications**

Effective Date: 7/1/2005

Whitworth Tool, Inc. relies upon the accuracy of the information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

### **301 Employee Benefits**

Effective Date: 9/1/2007

Eligible employees at Whitworth Tool, Inc. are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Your supervisor can identify the programs for which you are eligible. See our enrollment guide or HR for details regarding our Insurance Benefits.

**303 Paid Time Off (PTO)**

Revised: 01/01/2020

Section 303 & subsections, describe several forms of PTO that the company provides to eligible employees.

**PTO is:**

- Offered to Regular Full-time, Exempt and Non-Exempt Employees, unless stated differently in the individual policy description.
- Paid at the base rate at the time of use, and includes shift differentials. It does not include any special forms of compensation such as incentives, commissions, or bonuses.
- Counted towards hours worked when calculating overtime, unless stated differently in the individual policy description.
- Offered for rest, relaxation, and personal pursuits.

**303a Vacation**

Effective: 6/15/2007

Revised: 01/02/2022

Once you enter an eligible employment classification, you begin to earn paid vacation time according to the schedule in this policy.

The length of eligible service is calculated on the basis of a “benefit year”. A “benefit year” is defined as the 12-month period that begins when you start earning vacation time. Your benefit year may be extended for any significant break in service.

In some cases, vacation benefits may be negotiated upon hire, and differ from the schedule below. This is done on a case-by-case basis, after considering the person’s experience and skill set.

Eligible Service	Paid Vacation Hours
6 months^	20
1 year	40
2 years^	60
3 years*	88
5 years^	100
10 years*	120
15 years~	140
20 years~	160

\*Effective 12/01/2011 ~Effective 1/01/2020 ^Effective 1/01/2022

**Procedures & Calculating Overtime**

Vacation time can be used in (2) hour increments, after it is earned. All requests should be made through your supervisor. Each request will be reviewed based on a number of factors, including our business needs and staffing requirements. Any time requested off is at the sole discretion of the supervisor.

If you do not use your available vacation by the end of a benefit year, you may carry over the unused time to the next benefit year.

**Effective January 1, 2021**, the unused vacation can rollover, contingent that the available balance does not exceed 160 hours. Excess vacation time will be forfeited unless the employee initiates the option to ‘Cash In’ vacation hours for

pay prior to the vacation anniversary date. Any time employees 'Cash In' Vacation hours for pay, they forfeit that time off from work.

If your employment voluntarily terminates after completing one year of service, you will be paid for any unused vacation time that has been awarded. If your employment terms in less than one year, either voluntarily or involuntarily, all vacation pay will be forfeited. In the case of involuntary termination for cause, vacation time will be forfeited regardless of length of service.

Vacation hours do not count towards hours worked when calculating overtime.

### **303b: Holidays**

*Effective: 05/23/2008*

*Revised: 01/01/2020*

The company recognizes ten (10) paid holidays (referred to in this policy as "Holiday") during the year for eligible employees.

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

If the Holiday falls on a scheduled work day, eligible employees will be off that day and receive Holiday pay equal to their normal scheduled shift. This Holiday pay **does** count towards hours worked for the purposes of overtime calculations.

If the Holiday *does not* fall on a scheduled work day, employees will work their normal shift and receive eight (8) hours of Holiday pay. This Holiday pay **does not** count towards hours worked for the purposes of overtime calculations.

Work performed on a Holiday, when requested by a supervisor, **will be** paid at an overtime rate.

### **Holiday scheduling**

Each year, the Management Team prepares of list of paid holidays based on the date of the holiday. This list is available from the Human Resource Department and is communicated through postings on company message boards.

### **Other holiday observances**

If you wish to observe other holidays, you may use paid time off if you have an available balance of such time. Follow established procedures for requesting such time off.

### **Business and shift operations shutdown days**

The company may schedule business or shift operations shutdown day(s), for various reasons. These day(s) will most likely be the day before or after a holiday. If shutdown day(s) cause you to be short on hours, you are able to use vacation time or company approved unpaid time off on such days. Work performed on a shutdown day **will be** paid at an overtime rate.

### **Additional Information**

Employees with absences during a holiday pay period will not receive holiday pay unless paid time off is used to cover all hours of their regular work shifts.

### **303c Birthday Holiday**

*Effective: 01/01/2020*

*Revised: 01/01/2020*

The company recognizes the employee's birthday as a paid day off for both Full-time and Part-time employees. There is no waiting period.

Employees will be off on their birthday if it falls on a scheduled work day. If their birthday falls on a scheduled day off, weekend or holiday, they can take off the day before or after the scheduled day off, weekend or holiday. The hours paid will be equal to their normal scheduled shift.

The Birthday Holiday **does not** count towards hours worked for the purpose of calculating overtime. There is no cash out value to this benefit. If the time off is not taken, the birthday pay is forfeited.

Supervisors will communicate with employees regarding the scheduling of this benefit.

### **303d Bereavement Leave**

*Effective: 02/01/2008*

*Revised: 01/01/2020*

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately. Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Employees may, with their supervisors' approval, use any available paid leave for additional time off, as necessary.

Whitworth Tool, Inc. defines "immediate family" as the following:

#### **The Employee's:**

Spouse

Parent

Sibling

Child

Grandparent and Spouse's Grandparent (*great grandparent does not apply*)

Grandchild

In-law (Father/Mother, Son/daughter, Brother/Sister)

Up to **two consecutive** full shifts of paid bereavement leave will be provided to eligible employees, unless the bereavement is used for an employee's spouse or child. In the case of a spouse or child, **four** full shifts of paid bereavement will be granted. A shift is determined upon the employee's schedule.

*Note: Speak with your supervisor to make arrangements for unpaid time off in the event of the death of "step-relatives."*

### **303e: Personal Time**

*Effective: 01/15/2020*

For each calendar Quarter of perfect attendance, defined as: (1) all weekly scheduled shift hours must be worked or covered with available PTO and (2) no days with unexcused tardiness, non-exempt employees will earn four (4) hours of paid personal time.

Personal time hours **do not** count towards hours worked for the purpose of calculating overtime. There is no cash out value to this benefit. If the time off is not taken, pay is forfeited. Personal time can be used after it is earned, and should be scheduled through your direct supervisor.

### **303f: Jury Duty**

*Effective: 07/01/2005*

*Revised: 01/01/2020*

Whitworth Tool, Inc. encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees may request **paid** jury duty leave for the time serving on jury duty. The jury duty summons should be presented to their supervisor as soon as possible so arrangements can be made to accommodate their absence. Employees are expected to report for work whenever the court schedule permits. Reasonable accommodations will be made for time to travel to the site of duty. Paid jury leave will be granted to employees only when the jury duty is during their scheduled hours to work. If the employee is dismissed early from jury duty, he/she is expected to return to work and complete their scheduled shift. Employees should request, from the court, a statement for each day jury duty is served and turn that statement into your immediate supervisor to assure the appropriate time off pay is received.

Shift adjustments may be made for second and third shift employees, such as adjusting start and end times. If employees feel an adjustment to their schedule is needed, they should discuss this with supervisor in advance.

The company reserves the right to request that an employee be excused from his or her jury responsibilities when the anticipated time away would substantially interfere with the efficient operations of the department.

### **306 Workers' Compensation Insurance**

*Effective Date: 5/23/2008*

Whitworth Tool, Inc. provides a comprehensive workers' compensation insurance program at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible.

All employees receiving Worker's Compensation Benefits, should update the Human Resource department weekly of his/her status. They should also keep their case worker informed. Any questions about responsibilities of the employees should be directed to the Human Resource Department.

### **313 Benefits Continuation (COBRA)**

*Effective Date: 7/1/2005*

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Whitworth Tool, Inc.'s health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at Whitworth Tool, Inc.'s group rates plus an administration fee. Whitworth Tool, Inc. provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Whitworth Tool, Inc.'s health insurance plan. The notice contains important information about the employee's rights and obligations.

### **314 Employee Referral Bonus Policy**

Effective 3-1-17

Revised 5-21-18

Whitworth Tool is always looking for skilled candidates to add to our team, and appreciates any help our current employees can offer in filling open positions. Whitworth Tool will reward employees who refer qualified applicants that are hired to the Whitworth Tool team with a Referral Bonus of up to \$500, with the exception of experienced CNC Machinists or Tool and Die Makers. If an employee refers an experienced CNC Machinist or Tool and Die Maker, the Referral Bonus is up to \$1000. The benefit is grossed up (meaning Whitworth Tool pays the taxes) so the employee receives the full amount of the bonus. A Bonus will apply when the following guidelines are met:

1. The hiring of a referred applicant must occur within one year of the initial referral date.
2. The referral must represent the candidate's first contact with our organization. In order for a bonus to be paid for the referral of a former employee, that employee must have been separated from Whitworth Tool for a minimum of one year.
3. To be eligible for an award, the employee must directly submit an Employee Referral form to Human Resources before the candidate submits an application. The candidate must submit an application/resume within 30 days of the referral.
4. Once a referral is hired and completes six months of service, the employee responsible for the referral will receive half of the referral bonus (either \$250 or \$500). After one year of service the referring employee will receive the other half of the referral bonus.(either \$250 or \$500)
5. The first employee to refer a candidate will be the only referring employee eligible for payment.
6. All candidates will be evaluated for employment consistent with Whitworth Tool's policies and procedures, and all information regarding the hiring decision will remain strictly confidential.

Whitworth Tool is an Affirmative Action Employer – Equal Opportunity Employer -M/F/Vet/Disab

### **320 401(k) Savings Plan**

Effective Date: 3/1/2008

Whitworth Tool, Inc. offers a 401(k) savings plan to help eligible employees save for the future and their retirement years. See Human Resources or plan booklet for details.

### **330 Tool Loan Program**

Effective Date: 1/1/2007

Whitworth Tool, Inc. has a Tool Loan Program to help employees buy job-related tools and tool storage equipment. Employees in the following employment classifications are eligible to participate in the Tool Loan Program:

- \* Regular full-time employees

The Tool Loan Program will give you an interest-free loan for the purchase of job-related tools and tool storage equipment up to a maximum of \$500.00. We will deduct the loan payments from your paycheck automatically. Minimum deduction per week is \$30.00.

- \* **All purchases must be made through Human Resources**

This loan must be repaid immediately if your employment with Whitworth Tool, Inc. ends for any reason. If you want to know more about the Tool Loan Program, contact the Human Resource Department for more information and to get the required forms for requesting a loan.

### **340 Prescription Safety Glasses**

Effective Date: 3/30/2007

Whitworth Tool, Inc. has a program for the purchase of **Prescription Safety Glasses**. Employees in the following employment classifications are eligible for enrollment in the safety glasses program:

- Regular full-time employees
  - Whitworth Tool, Inc will pay \$50.00 towards the purchase of a new pair of frames **once every 2 years**. Any frames purchased more frequently than that will be the full responsibility of the employee.
  - You must obtain an Armada Optical RX form from the Human Resource Office before going to your appointment at Hardinsburg Eye Care. Invoice for the purchase from this eye care will be sent to Whitworth Tool, Inc.
  - You may purchase prescription safety glasses from another facility. To receive the \$50.00 reimbursement, you will need to bring a receipt with details to Human Resources Department.

For more information, see Human Resources.

### **401 Timekeeping**

Effective Date: 6/25/2007

Accurately recording time worked is the responsibility of every employee. Federal and state laws require Whitworth Tool, Inc. to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

**All employees should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period.** They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Any corrections needed on time tickets should be written down and reported in a timely manner either to your supervisor or to the HR Department. Overtime work must always be approved before it is performed.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

### **403 Paydays**

Effective Date: 5/23/2008

All employees are paid each Friday. Each paycheck will include earnings for all work performed through the end of the previous payroll period. In the event that a regularly scheduled payday falls on a holiday, employees will receive pay on the last day of work before the regularly scheduled payday.

### **405 Employment Termination**

Effective Date: 7/1/2005

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

- \* Resignation - voluntary employment termination initiated by an employee.
- \* Discharge - involuntary employment termination initiated by the organization.
- \* Layoff - involuntary employment termination initiated by the organization for non-disciplinary reasons.
- \* Retirement - voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization.

Since employment with Whitworth Tool, Inc. is based on mutual consent, both the employee and Whitworth Tool, Inc. have the right to terminate employment at will, with or without cause, at any time.

Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

#### **409 Administrative Pay Corrections**

Effective Date: 7/1/2005

Whitworth Tool, Inc. takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday.

In the event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of their supervisor so that corrections can be made as quickly as possible.

#### **410 Pay Deductions and Setoffs**

Effective Date: 7/1/2005

The law requires that Whitworth Tool, Inc. make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. Whitworth Tool, Inc. also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." Whitworth Tool, Inc. matches the amount of Social Security taxes paid by each employee.

Whitworth Tool, Inc. offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs.

Pay setoffs are pay deductions taken by Whitworth Tool, Inc., usually to help pay off a debt or obligation to Whitworth Tool, Inc. or others.

If you have questions concerning why deductions were made from your paycheck or how they were calculated, please contact the Front Office for assistance.

#### **501 Safety & Incident Reporting**

Effective Date: 7/1/2005

Revised: 01/01/2020

Our workplace safety program is a top priority at Whitworth Tool, Inc. We want Whitworth Tool, Inc. to be a safe and healthy place for employees, customers, and visitors. A successful safety program depends on everyone being alert and committed to safety.

We regularly communicate in different ways with employees about workplace safety and health issues. These communications may include supervisor-employee meetings, bulletin board postings, memos, or other written communications.

Employees and supervisors receive workplace safety training. The training covers possible safety and health hazards as well as safe work practices and procedures to eliminate or reduce hazards.

Some of the best safety improvement ideas come from employees. If you have an idea, concern, or suggestion on how to improve safety in the workplace, tell your supervisor, another supervisor, or a member of the safety committee. We want you to know that you can report any concerns about workplace safety anonymously and without fear of reprisal.

You are expected to obey all safety rules and be careful at work. You must immediately report any unsafe condition to the appropriate supervisor. If you violate Whitworth Tool, Inc. safety standards, you may be subject to disciplinary action, up to and including termination of employment. Violations include causing a hazardous or dangerous

situation, not reporting a hazardous or dangerous situation, and not correcting a problem even though you could have corrected it.

It is very important that you tell the appropriate supervisor immediately about any accident that causes an injury, no matter how minor it might seem at the time. When you report it quickly, we can investigate the accident promptly, follow the laws, and start insurance and worker's compensation processing.

### **502 Personal Protective Equipment (PPE)**

Effective Date: 7/1/2005

Revised: 01/01/2020

An effective safety policy is always evolving to ensure protection for new risks. We do our best to identify safety hazards and make appropriate recommendations to prevent injury to our employees and visitors.

Employees must adhere to the following PPE requirements, as applicable. Violations of this policy will be dealt with using the Progressive Discipline Policy.

All PPE must be inspected for damage prior to each use. If damage is discovered, the item can not be used and must be replaced.

#### **EYE & FACE PROTECTION:**

Employees are required to wear safety glasses whenever a reasonable probability exists of an eye injury resulting from the work being performed, whether work is performed inside or outside the building or in the field.

Employees shall use the appropriate eye or face protection when exposed to hazards from flying particles or other particles that can get into the eye.

- Safety Spectacles w/ side shields (ANSI Z87.1 compliant): Required in all areas of the shop floor.
- Safety Goggles: Required in high-risk areas or high-risk activities (i.e. cut off wheel) Optional in low-risk areas or low-risk activities (i.e. using pencil grinder)
- Face Shields & Goggles: Required when using a 4" or larger hand-held grinder
- Welding Helmet/Mask: Required when welding

Management will provide at no cost to each employee, one (1) of any type of eye and face protection deemed necessary for their work activities. (Prescription wear excluded). In the event that company provided eye protection items are damaged or are no longer usable due to normal wear at work, Management will replace the item at no cost (EXCLUDING prescription wear glasses). Other replacements will be at the cost of the employee.

Whitworth Tool, Inc. will reimburse employees who chose to purchase ANSI Z87.1 prescription safety glasses up to \$50.00 every two (2) years. Reimbursement requests must provide documentation verifying the item conforms to the ANSI Z87.1 standard and should be submitted to your direct supervisor. Employees interested in participating in any approved prescription wear vendor programs should contact Human Resources.

#### **HEAD PROTECTION:**

Employees exposed to the risks of head injury are required to wear appropriate head protection.

- Risk of falling objects, or objects that could strike the head. (Class A or Class C hard hat)
- Risk of striking their head against a fixed object, such as exposed pipes or beams (Class A or B hard hat)
- Possibility of accidental head contact with electrical hazard (Class A or Class B hard hat)
- As defined at various times by the company

#### **EAR PROTECTION:**

Ear protection is optional at this time. Disposable earplugs are provided for employees and visitors.

#### **FOOT PROTECTION:**

- Employees whose work is performed on the shop floor are required to wear safety-toe footwear. Metatarsal foot protection is not required.
- Safety-toe footwear is required for any person entering a manufacturing cell or work area. They

- are not required when walking or standing in the aiseways.
- Open-toe or open-heel shoes are not permitted on the shop floor.

**HAND PROTECTION:**

*Gloves are not required by machine operators or machinists. If gloves are preferred, see acceptable options per activity below.*

- Lathe operators: Tight-fitting nitrile gloves
- Mill Operators: Either Nitrile or cut-resistant gloves, unless using hydraulic, gloves are prohibited

*Activities requiring gloves*

- Cut-resistant or leather gloves are required by material handlers while handling raw material or chip dumpsters.
- Use of heat treat oven – activity specific gloves are provided
- As defined at various times by the company

**Visitors:**

We are committed to making our facilities safe for visitors. For that reason, it is required that all visitors be escorted by a company employee and are provided proper PPE to wear. The visitor must follow all Whitworth Tool, Inc. safety rules while they're on our premises.

**503a Uniform Policy**

Effective: 3/1/2008

Revised: 3/01/2019

The Company follows a casual dress code, as to allow employees to work comfortably. Yet, employees need to project a professional image of themselves and of the company towards coworkers, customers and visitors. Attire should be clean, safe, in good repair (free of holes, etc.), free of profanity, not be offensive in nature, and follow the guidelines below.

Clothing that has the Company logo, or clothing issued through a contracted vendor is encouraged.

Clothing that has other machining or manufacturing company logos (employee competitors) is not permitted.

If clothing fails to meet the standard of this policy, as determined by the employee's supervisor, the employee must

**Slacks and Pants:** Cotton or synthetic material pants, jeans are acceptable. Ankle and shin length capris are acceptable for office staff. Sweatpants and shorts are not allowed in any area.

**Shoes and Footwear:** For employees whose job duties require regular work in the manufacturing areas, safety toe footwear is required. Slip-on, lace-up, loafer and tennis shoe style are all acceptable. Closed toe and closed heel shoes are required for safety reasons in all areas, by all employees and visitors.

immediately leave the premises, correct the violation(s) and return to their shift. If clarification of a violation is needed, Human Resources management will be consulted. There will be a verbal warning for the first offense, with progressive disciplinary actions applied if dress code violations continue.

*This policy has been reviewed and approved by the CEO.*

**503b Stipend for Personal Protective Equipment and Clothing**

Effective 1/20/2020

The company will provide to each employee, an annual stipend for use towards the purchase of PPE (i.e. safety toe footwear) or clothing worn for work. The amount of the stipend will be communicated each year.

Employees can purchase items through company-sponsored events (boot truck or group merchandise orders), or use vendors of their choice, and submit a reimbursement request to their supervisor. All reimbursement requests must be accompanied by documentation verifying the item(s) purchased meet company safety and/or uniform policies, as

applicable. There is no cash benefit to this policy, if items are not purchased by the end of the calendar year, the stipend is forfeited.

### **505 Smoke-Free Workplace Policy**

Effective Date: 9/6/2016

In keeping with Whitworth Tool, Inc.'s intent to provide a safe and healthful work environment; smoking cigarettes, pipes, water pipes, vapor cigarettes, etc. will not be permitted inside of Whitworth Tool buildings or company-owned vehicles.

The use of smokeless tobacco (dip, snuff, etc.) will be allowed. However, the byproducts/residue must be contained in a closed bottle/container that is stored out of sight and not discarded directly into a trash can, dumpster, floor, etc. The closed container should also be disposed of properly. If the use of smokeless tobacco creates an issue with cleanliness or hygiene, the company may proceed to prohibit this activity as well.

Smoking will only be permitted in designated outdoor areas. While the company makes these areas available to smokers, it in no way has any legal responsibility to do so. Employees who choose to use these smoking areas do so at their own risk. Employees using this area will be responsible for the upkeep and cleanliness of the smoking areas. All materials used for smoking, including cigarette butts and matches, must be extinguished and disposed of in the appropriate containers prior to leaving the designated smoking area. The walking path to the smoking area must remain clear of these items as well.

Employees who smoke or use smokeless tobacco must observe the same guidelines as non-smokers for the frequency and length of breaks. No additional breaks are allowed to any employee who smokes.

Violations of the Smoke Free Workplace Policy could be subject to disciplinary action, up to and including termination of employment.

\*\* This policy applies equally to all employees, customers, and visitors. \*\*

### **506 Rest and Meal Periods**

Effective Date: 7/1/2005

All full-time employees are provided with one meal period of 30 minutes as required by law. Supervisors will schedule meal periods to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during meal periods and most will not be compensated for that time. Certain shifts created may require adjustments to this policy. Any exceptions to this policy will be addressed and discussed with employees working affected shifts.

### **507 Overtime**

Effective Date: 7/1/2005

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. When possible, advance notification of these mandatory assignments will be provided. All overtime work must receive the supervisor's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

Overtime compensation is paid to all employees in accordance with federal and state wage and hour restrictions.

### **508 Uses of Equipment and Vehicles**

Effective Date: 7/1/2005

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Please notify the supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment.

### **512 Qualified Per Diem & Travel Pay**

*Revised 08/2022*

The purpose of this amendment is to set policy and define responsibility for travel expenses that Whitworth Tool, Inc. will reimburse or compensate to employees traveling for business.

The IRS tax code includes certain guidelines on legitimate travel expenses that are allowable for tax reporting purposes. These serve as basic policy guidelines for Whitworth Tool's compensation for travel. Each traveling employee must submit a Business Travel Documentation Report to their immediate supervisor showing dates of travel, location of services, and the purpose for business travel. This form will be used to determine per diem and travel pay, if any, due to the employee.

Whenever possible, hotel/motel accommodations for overnight travel will be pre-arranged by Whitworth Tool. When lodging is not pre-arranged, accommodations selected by the employee should be those that are reasonable in price and conveniently located in relation to the traveler's work site. Hotel/motel reimbursement will be made on an actual basis for reasonable accommodations. Hotel or Motel receipts must be attached to the expense report. The same principle applies to airline travel.

The use of personal vehicles is discouraged unless all company vehicles are unavailable and there is not adequate time to arrange for a rental. Whenever possible, rental accommodations will be pre-arranged by Whitworth Tool. When applicable, mileage is paid at the federal mileage rate. Employees who choose to use a personal vehicle in lieu of a company-provided vehicle may not receive a mileage payment. If you are involved in an accident while on business travel, immediately report the accident to your supervisor.

#### **Per Diem**

Whitworth Tool, Inc. employees will be paid Per Diem to cover expenses incurred during travel. The Qualified Per Diem rate paid by the company is subject to adjustment each January, based on the federal per diem rate. See your supervisor or a member of the Human Resource Department with questions about the current rate. The Per Diem rate may be adjusted based on higher cost areas with prior authorization from the supervisor. Following the completion of the required paperwork, per diem will be administered through payroll as an "add to net" item on the employee's paycheck. Per Diem is not paid in advance.

*Out-of-town travel for overnight trips will be compensated as follows:*

First and last day of travel is paid at 75% of the standard rate. All other days of travel are paid at the qualified per diem rate.

*Out-of-town travel for day trips will be compensated as follows:*

\$15 for lunch – Paid to employees leaving prior to and returning after 11:00 a.m.

\$25 for supper – Paid to employees leaving prior to and returning after 6:00 p.m.

*\*This policy does not allow for meal allowance or meal reimbursement to employees whose normal daily job duties include travel.*

#### **Overnight Travel**

Hourly employees will be compensated at a rate of \$75.00 per overnight stay. Overnight travel must be considered when calculating the rate used for average hourly & average overtime rates of pay. The following formulas are used to determine these rates. Please direct questions regarding this to your immediate supervisor.

*To calculate average hourly rate:*

$(\text{Total Hours worked}) \times (\text{hourly pay rate}) + (\text{\$ travel pay}) / (\text{total hours worked}) = \text{average hourly rate}$

*To calculate average overtime rate:*

$\text{Average hourly Rate} \times 1.5 = \text{average overtime rate}$

### **514 Visitors in the Workplace**

Effective Date: 7/1/2005

To provide for the safety and security of employees and the facilities at Whitworth Tool, Inc., only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All visitors should enter Whitworth Tool, Inc. at the reception area. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on Whitworth Tool, Inc.'s premises, employees should immediately notify their supervisor or, if necessary, direct the individual to the reception area.

### **517 Internet Use**

Effective Date: 7/1/2005

Internet access to global electronic information resources on the World Wide Web is provided by Whitworth Tool, Inc. to assist employees in obtaining work-related data and technology. The following guidelines have been established to help ensure responsible and productive Internet usage.

All Internet data that is composed, transmitted, or received via our computer communications systems is considered to be part of the official records of Whitworth Tool, Inc. and, as such, is subject to disclosure to law enforcement or other third parties. Consequently, employees should always ensure that the business information contained in Internet email messages and other transmissions is accurate, appropriate, ethical, and lawful.

The equipment, services, and technology provided to access the Internet remain at all times the property of Whitworth Tool, Inc. As such, Whitworth Tool, Inc. reserves the right to monitor Internet traffic, and retrieve and read any data composed, sent, or received through our online connections and stored in our computer systems.

Data that is composed, transmitted, accessed, or received via the Internet must not contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Examples of unacceptable content may include, but are not limited to, sexual comments or images, racial slurs, gender-specific comments, or any other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, sexual orientation, or any other characteristic protected by law.

The unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material on the Internet is expressly prohibited. As a general rule, if an employee did not create material, does not own the rights to it, or has not gotten authorization for its use, it should not be put on the Internet. Employees are also responsible for ensuring that the person sending any material over the Internet has the appropriate distribution rights.

Abuse of the Internet access provided by Whitworth Tool, Inc. in violation of law or Whitworth Tool, Inc. policies will result in disciplinary action, up to and including termination of employment. Employees may also be held personally liable for any violations of this policy. The following behaviors are examples of previously stated or additional actions and activities that are prohibited and can result in disciplinary action:

- \* Sending or posting discriminatory, harassing, or threatening messages or images
- \* Using the organization's time and resources for personal gain
- \* Stealing, using, or disclosing someone else's code or password without authorization

- \* Copying, pirating, or downloading software and electronic files without permission
- \* Sending or posting confidential material, trade secrets, or proprietary information outside of the Organization
- \* Violating copyright law
- \* Failing to observe licensing agreements
- \* Engaging in unauthorized transactions that may incur a cost to the organization or initiate unwanted Internet services and transmissions
- \* Sending or posting messages or material that could damage the organization's image or reputation
- \* Participating in the viewing or exchange of pornography or obscene materials
- \* Sending or posting messages that defame or slander other individuals
- \* Attempting to break into the computer system of another organization or person
- \* Refusing to cooperate with a security investigation
- \* Sending or posting chain letters, solicitations, or advertisements not related to business purposes or activities
- \* Using the Internet for political causes or activities, religious activities, or any sort of gambling
- \* Jeopardizing the security of the organization's electronic communications systems
- \* Sending or posting messages that disparage another organization's products or services
- \* Passing off personal views as representing those of the organization
- \* Sending anonymous email messages
- \* Engaging in any other illegal activities

### **522 Workplace Violence Prevention**

Effective Date: 7/1/2005

Whitworth Tool, Inc. is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, Whitworth Tool, Inc. has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of Whitworth Tool, Inc. without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to your immediate supervisor or any other member of management. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor. Do not place yourself in peril. If you see or hear a commotion or disturbance near your workstation, do not try to intercede or see what is happening.

Whitworth Tool, Inc. will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, Whitworth Tool, Inc. may suspend employees, either with or without pay, pending investigation. Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

Whitworth Tool, Inc. encourages employees to bring their disputes or differences with other employees to the attention of their supervisors or the Director of Operations before the situation escalates into potential violence. Whitworth Tool,

Inc. is eager to assist in the resolution of employee disputes, and will not discipline employees for raising such concerns.

### **526 Cell Phone Use**

*Effective Date: 7/1/2005*

*Revision Date: 11/10/2020*

It is the policy of the company to prohibit the use of personal cell phones while on the shop floor and prohibit their use during working time, **except as described below**. Employees may use personal cell phones in designated break areas or outside the building during regular break and meal periods. At all other times, personal cell phones must be out of sight.

The company recognizes that most cell phones can take photographs. Because this capability could allow for the theft of trade secrets or expose confidential information, employees are prohibited from taking photographs or video anywhere on company grounds.

Drivers and employees are prohibited from using hand-held cell phones, whether for personal or business use, while operating a vehicle during business travel, except as described below. This applies to both company vehicles and to personal vehicles. If your phone has "Blue tooth" with an earpiece or headset, and your cell phone can either answer or make a call with ONE push, it will be allowed. If you do not have this type of device, you must move the vehicle off the road and come to a complete stop before dialing or talking on the phone.

Only emergency calls will be paged out over the intercom system in the shop. All other calls should be placed to the employee's cell phone for return on their break times.

Whenever possible, employees authorized to use cell phones should step off the shop floor or move to a safe area when taking calls or responding to text messages.

Abuse or consistent violation of this policy will result in progressive disciplinary action.

#### **Personal Cell Phones**

You may use personal cell phones for legitimate business purposes. The company expects that this will not be necessary within company facilities, except for communication between designated personnel, or when you are traveling or are otherwise away from the business location.

#### **Company-provided cell phones**

Whitworth Tool, Inc. provides cell phones to some employees as a business tool, and company policies apply at all times. They are provided to assist employees in communicating with management and other employees, their clients, associates, and others with whom they may conduct business. Cell phone use is primarily intended for business-related calls. However, occasional, brief personal use is permitted within a reasonable limit. Cell phone invoices may be regularly monitored.

The company will not tolerate inappropriate or offensive conduct of any kind, including verbal comments, email, phone calls, text messages, or other forms of communication. If an offensive message is sent from or to a company-provided cell phone, that action will be considered inappropriate use of company property. Any communication with other employees should be appropriate for the workplace. Messages which are offensive or inappropriate will be investigated and may result in discipline. You are reminded that sending a text creates an electronic record of the message.

If you receive an inappropriate or offensive text message, you should report the incident to a supervisor, Human Resources, or other company official. Employees are reminded that reports of inappropriate or offensive conduct are kept confidential to the extent possible. In the interests of confidentiality, employees who receive an offensive message should not forward the message to others.

As a representative of Whitworth Tool, Inc., cell phone users are reminded that the regular business etiquette employed when speaking from office phones or in meetings applies to conversations conducted over a cell phone.

#### **Non-working time**

Activities employees engage in outside of work may impact the workplace. The company can and will take disciplinary action if outside activities (such as sending an offensive message to a coworker from a personal cell phone) contribute to an uncomfortable or harassing work environment.

**590 Personal Use of Company Property**

Effective Date: 7/1/2005

In some instances, employees may be allowed to borrow certain company tools, vehicles, or equipment for their own personal use. In no instance may this be done without prior management approval. You understand and agree that Whitworth Tool, Inc. is not liable for personal injury incurred during the use of company property for personal use. You accept full responsibility for any and all liabilities for injuries or losses which occur, or for the malfunction of equipment. You are responsible for returning the equipment or tools in good condition, and you agree that you are required to pay for any damages that occur while using the equipment or tools for personal projects.

**601 Family and Medical Leave**

Effective Date: 5/23/2008

Whitworth Tool, Inc. provides family and medical leaves of absence without pay to eligible employees who are temporarily unable to work due to a serious health condition or disability or to eligible employees who wish to take time off from work duties to fulfill family obligations relating directly to childbirth, adoption, or placement of a foster child; or to care for a child, spouse, or parent with a serious health condition. For purposes of this policy, serious health conditions or disabilities include inpatient care in a hospital, hospice, or residential medical care facility; continuing treatment by a health care provider; and temporary disabilities associated with pregnancy, childbirth, and related medical conditions.

Employees in the following employment classifications are eligible to request family and medical leave as described in this policy:

\*Regular full-time employees,

Eligible employees may request family and medical leave according to the following schedule:

<u>Years of Service</u>	<u>Length of Continuation</u>
Less than 1 year	8 weeks
1 year but less than 5 years	12 weeks
5 years but less than 10 years	16 weeks
10 years but less than 15 years	21 weeks
15 years or more of service	29 weeks

This continuation shall run concurrently with any applicable leave available under the terms of the Family and Medical Leave Act. Married employee couples may be restricted to a combined total of the maximum number of weeks of leave available within any 12-month period for childbirth, adoption, or placement of a foster child; or to care for a patient with a serious health condition.

Exceptions to the service requirement will be considered to accommodate disabilities. Eligible employees should make requests for family and medical leave to their supervisors at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events. Employees requesting family or medical leave may be required to submit a health care provider's statement verifying the need for a family and medical leave to provide care, its beginning and expected ending dates, and the estimated time required. Any changes in this information should be promptly reported to Whitworth Tool, Inc. If the initial period of approved absence proves insufficient, consideration will be given to a request for an extension. **Employees will be required to first use any accrued paid leave time before taking unpaid medical leave.**

Employees who sustain work-related injuries are eligible for a medical leave of absence for the period of disability in accordance with all applicable laws covering occupational disabilities.

Subject to the terms, conditions, and limitations of the applicable plans, Whitworth Tool, Inc. will continue to provide health insurance benefits for the full period of the approved medical leave. **\*Employees will be responsible for paying their weekly premiums to cover their health insurance while on leave. Employees are responsible for making these arrangements with the Human Resources Department.\***

So that an employee's return to work can be properly scheduled, an employee on family or medical leave is requested to provide Whitworth Tool, Inc. with at least two weeks advance notice of the date the employee intends to return to work. When a family or medical leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified.

Benefit accruals, such as vacation, sick leave, and holiday benefits, will continue during the approved family and medical leave period.

Employees returning from **medical leave** must submit a health care provider's verification of their fitness to return to work. If an employee fails to return to work on the agreed upon return date, Whitworth Tool, Inc. will assume that the employee has resigned.

### **701 Employee Conduct and Work Rules**

Effective Date: 7/1/2005

To ensure orderly operations and provide the best possible work environment, Whitworth Tool, Inc. expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- \* Theft or inappropriate removal or possession of property
- \* Working under the influence of alcohol or illegal drugs
- \* Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- \* Fighting or threatening violence in the workplace
- \* Boisterous or disruptive activity in the workplace
- \* Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- \* Insubordination or other disrespectful conduct
- \* Violation of safety or health rules
- \* Sexual or other unlawful or unwelcome harassment
- \* Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- \* Excessive absenteeism or any absence without notice
- \* Unauthorized disclosure of business "secrets" or confidential information
- \* Violation of personnel policies
- \* Unsatisfactory performance or conduct

Employment with Whitworth Tool, Inc. is at the mutual consent of Whitworth Tool, Inc. and the employee, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

### **702a Drug and Alcohol Use**

Effective Date: 7/1/2005

It is Whitworth Tool, Inc.'s desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on Whitworth Tool, Inc. premises and while conducting business-related activities off Whitworth Tool, Inc. premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal

use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program through Whitworth Tool, Inc.'s health insurance benefit coverage. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all Whitworth Tool, Inc. policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause Whitworth Tool, Inc. any undue hardship.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify Whitworth Tool, Inc. of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five days of the conviction.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor or the Director of Operations without fear of reprisal.

### **702b Substance Abuse Control Policy**

Effective Date: 10/8/2007

Whitworth Tool, Inc. adopted a policy to help ensure a safe and healthful working environment. Employees may be asked to provide samples (such as urine, or breath tests) to identify the illicit or illegal use of drugs and alcohol.

The company performs drug tests in the following situations:

- \*Pre-employment
- \*Random
- \*Post-accident
- \*Reasonable Suspicion

Questions concerning this policy or its administration should be directed to the Designated Employee Representative.

### **703 Sexual and Other Unlawful Harassment**

Effective Date: 7/1/2005

Whitworth Tool, Inc. is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Whitworth Tool, Inc. will not tolerate any actions, words, jokes, or comments based on a person's sex, race, color, national origin, age, religion, disability, or any other legally protected characteristic.

Sexual harassment is defined as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list of sexual harassment examples:

- \* Unwanted sexual advances or offering employment benefits in exchange for sexual favors.
- \* Making or threatening reprisals after a negative response to sexual advances.
- \* Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects or pictures, cartoons or posters.
- \* Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes.
- \* Verbal sexual advances or propositions.
- \* Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations.
- \* Physical conduct that includes touching, assaulting, or impeding or blocking movements.

Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission or rejection of the conduct is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

If you are a victim of or witness sexual or other unlawful harassment at work, report it to your supervisor immediately. If your supervisor is unavailable or you believe it would be inappropriate to discuss it with your supervisor, you should immediately contact the Supervisor or President or any other member of management. There will not be punishment or reprisal if you report sexual harassment or ask questions or raise concerns about it.

All allegations of sexual harassment will be quickly and discreetly investigated. To the extent possible, your confidentiality and the confidentiality of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment must immediately advise the Supervisor or President or any member of management so it can be investigated in a timely and confidential manner. Any employee who engages in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

#### **704 Attendance and Punctuality**

Effective Date: 6/25/2007

To maintain a safe and productive work environment, Whitworth Tool, Inc. expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on Whitworth Tool, Inc. In instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor as soon as possible in advance of the anticipated tardiness or absence.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

#### **706 Return of Property**

Effective Date: 7/1/2005

Employees are responsible for all Whitworth Tool, Inc. property, materials, or written information issued to them or in their possession or control.

Employees must return all Whitworth Tool, Inc. property immediately upon request or upon termination of employment. Where permitted by applicable laws, Whitworth Tool, Inc. may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. Whitworth Tool, Inc. may also take all action deemed appropriate to recover or protect its property.

#### **716 Progressive Discipline**

Effective Date: 7/1/2005

This policy describes the policy for administering fair and consistent discipline for unsatisfactory conduct at Whitworth Tool, Inc.

We believe it is important to make sure that all employees are treated fairly and that disciplinary actions are prompt, consistent, and impartial. The major purpose of a disciplinary action is to correct the problem, prevent it from happening again, and prepare the employee for satisfactory performance in the future.

Although your employment is based on mutual consent and both you and Whitworth Tool, Inc. have the right to terminate employment at will, with or without cause or advance notice, Whitworth Tool, Inc. may use progressive discipline at its discretion.

Disciplinary action may be any of the following four steps: 1) verbal warning, 2) written warning, 3) suspension with or without pay, or 4) termination of employment. We will look at how severe the problem is and how often it has happened when deciding which step to take. There may be circumstances when one or more steps are bypassed.

In most cases, progressive discipline means that we will normally take these steps in the following order: 1) a first offense may call for a verbal warning; 2) a next offense may be followed by a written warning; 3) another offense may lead to a suspension; and, 4) still another offense may then lead to termination of employment. If more than 12 months have passed since the last disciplinary action, the process will normally start over.

In very serious situations, some types of employee problems may justify either a suspension, or, in extreme situations, termination of employment, without going through the usual progressive discipline steps.

You should also look at the Employee Conduct and Work Rules policy in this handbook. That policy lists examples of unacceptable conduct that might result in immediate suspension or termination of employment. However, some of the examples of unsatisfactory conduct listed may result in the progressive discipline process described above instead of immediate suspension or termination.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and Whitworth Tool, Inc.

