

# **Foam Supplies, Inc.**

# **Employee Handbook**

**February 2017**

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## INTRODUCTION

Starting a new job is exciting, but at times can be overwhelming. This Employee Handbook has been developed to help you become acquainted with our company and answer many of your initial questions.

As an employee of Foam Supplies, Inc., (hereafter “FSI” or “Company”, you are very important. Your contribution cannot be overstated. Our goal is to provide the finest-quality products and services to our clients and to do so more efficiently and economically than our competitors. By satisfying our clients' needs, we ensure they will continue to do business with us and will recommend us to others.

You are an important part of this process because your work directly influences our company's reputation.

We are glad you have joined us, and we hope you will find your work to be both challenging and rewarding.

## ABOUT THE HANDBOOK

FSI hopes that employees will have a long and productive relationship with our company. To help with this, Employee Handbooks are provided to acquaint employees with company policies and to answer many questions. Please read this handbook carefully.

These highlights were prepared to provide a brief summary of the personnel policies of FSI and its benefits program. Formal plan documents and insurance contracts govern all rights to benefits. Nothing contained herein shall be construed as giving any employee the right to be retained in the employ of FSI.

This manual does not contain all of the information needed as an employee. Other information may be distributed to employees through written and/or oral notices. When the company changes a policy, it automatically overrides the past policy.

FSI reserves the right at any time to change, delete, or add any provisions listed in this manual at its sole discretion without notifying individual employees.

**Our company is an at-will employer. This means that regardless of any provision in this employee handbook, either you or the company may terminate the employment relationship at any time, for any reason, with or without cause or notice. Nothing in this employee handbook or in any document or statement, written or oral, shall limit the right to terminate employment at-will. This Handbook is not intended to create a contract, either express or implied, of employment and does not create any contractual obligations of any kind. No officer, employee or representative of the company is authorized to enter into an agreement—express or implied—with any employee for employment for a specified period of time unless such an agreement is in a written contract signed by the Chief Operating Officer of the company.**

## **EMPLOYMENT PRACTICES**

### **CUSTOMER RELATIONS**

Customers are among our organization's most valuable assets. Every employee represents FSI 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 with 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 FSI. Positive customer relations enhance the public's perception or image of FSI.

### **EMPLOYEE RELATIONS**

Since its founding, FSI has worked directly with its employees without the discord and interference sometimes associated with unions. The skills and abilities of our employees have been enhanced by good working relationships, which in turn, contribute to the building of a strong and healthy company. We accept our responsibility to provide good working conditions, pay and benefits, together with opportunities for personal growth and advancement. FSI believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in the industry.

We believe in the dignity of each employee and try to treat each other with respect and openness. Direct communications prevail between employees and their supervisors. Such communications result in better understanding and more rapid solutions to problems than would be possible if it were necessary to deal through a third party. This relationship also enhances the ability of FSI to recognize those employees who have made, or who are making, exemplary contributions to the success and profitability of the company. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to your Supervisor.

We look forward to continuing to deal directly with each employee on a personal basis. By working together, we can ensure that FSI and its employees will continue to grow and prosper and that employee performance will be appropriately recognized and rewarded.

### **AT-WILL EMPLOYMENT POLICY**

Employment with the Company is "at-will" which means the employee is free to resign at any time, with or without notice, and the Company may terminate or alter an employee's employment, position, duties, title or compensation at any time, with or without notice and with or without cause.

Only FSI's President or CEO is authorized to modify the Company's at-will employment policy or enter into any agreement contrary to this policy. Any such modification must be in writing and signed by the employee and FSI's President or CEO.

***Nothing contained in this Handbook is intended to modify the at-will nature of employment.***

## **EQUAL EMPLOYMENT OPPORTUNITY**

The Company treats all employees and applicants for employment without unlawful discrimination against employees and applicants for employment based on age, sex, color, race, creed, national origin, religion, marital status, sexual orientation, disability, or status as a uniformed service veteran or any other protected status, in accordance with applicable state, federal and local law.

This equal employment opportunity policy applies to all terms and conditions of employment, including the hiring, placement, advancement, promotion, termination, layoff, recall, transfer, leaves of absence, access to training and benefits, and compensation of our employees and qualified job applicants. Our policy is to employ, advance, and reasonably accommodate all qualified employees and applicants.

Any employee with questions or concerns about any type of discrimination in the workplace is encouraged to bring these issues to the attention of their Supervisor.

Employees can raise concerns and make reports without fear of reprisal. FSI strictly prohibits and does not tolerate unlawful retaliation against any employee, by any employee. All forms of unlawful retaliation are prohibited, including any form of discipline, reprisal, intimidation or other form of retaliation for participating in any activity protected by law. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

## **ANTI-HARASSMENT POLICY**

It is the policy of FSI to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex (with or without sexual conduct), age, disability, or any other characteristic protected by law. FSI prohibits and will not tolerate any such discrimination or harassment.

### **Definitions of Harassment**

**Sexual harassment:** constitutes discrimination and is illegal under federal, state and local laws. For the purposes of this policy, sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example: (i) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; ii) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual. ; or (iii) severe and pervasive unwelcome conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment on the basis of any employee's sex.

Also, hostile work environment sexual harassment is severe and pervasive unwelcome conduct that denigrates or shows hostility or aversion toward an individual because of his/her sex that: (i) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (ii) has the purpose or effect of unreasonably interfering with an individual's work performance; or (iii) otherwise adversely affects an individual's employment opportunities. Hostile work environments may arise when subtle and not so subtle behaviors becomes severe and pervasive in the workplace; and may involve individuals of the same or different genders. Depending on the circumstances, these behaviors may include, but are not limited to: unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, catcalls or touching; insulting or obscene comments or gestures; display or circulation in the workplace of sexually suggestive objects or pictures (including through e-mail); and other physical, verbal or visual conduct of a sexual nature. Sex-based harassment that is, harassment not involving sexual activity or language (e.g., male manager yells only at female employees and not males) constitutes discrimination if it is severe or pervasive and directed at employees because of their sex.

Harassment: on the basis of any other protected characteristic including race, color, religion, national origin, age, disability, sexual orientation, or any other characteristic protected by federal, state or local law is strictly prohibited.

### **Individuals and Conduct Covered**

These policies apply to all applicants, part-time and full-time employees, and prohibit harassment, discrimination and retaliation whether engaged in by fellow employees, by a supervisor or by someone not directly connected to FSI (e.g., an outside vendor, consultant or customer). Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings, and business-related social events.

### **Procedure for Reporting Claims**

Early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment. Therefore, FSI strongly urges the immediate reporting of all incidents of discrimination, harassment or retaliation, regardless of the offender's identity or position. Individuals who believe they have experienced conduct that they believe is contrary to FSI's policy or who have concerns about such matters should immediately file their complaints with their immediate supervisor. An employee who is uncomfortable for any reason in bringing such a matter to the attention of their immediate supervisor or who is not satisfied that bringing the matter to the attention of such person will resolve the matter, should immediately report the matter to HR before the conduct becomes severe or pervasive. However, employees should not feel obligated to file their complaints with their immediate supervisor first before bringing the matter to the attention of HR. Employees who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of this complaint procedure. An employee's failure to fulfill this obligation could affect his or her rights in pursuing legal action.

### **Investigation and Responsive Action**

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly, thoroughly and impartially. The investigation may include individual interviews with the parties involved and, where



necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge. Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Misconduct constituting harassment, discrimination or retaliation will be dealt with promptly and appropriately. Responsive action may include, for example, training, referral to counseling, monitoring of the offender and/or disciplinary action such as warning, reprimand, withholding of a promotion or pay increase, reduction of wages, demotion, reassignment, temporary suspension without pay or termination, as FSI believes to be appropriate under the circumstances. Given the seriousness with which all allegations of harassment are treated, FSI may also take disciplinary action against any individual who files a knowingly false complaint and/or against any individual who knowingly provides false information during the investigation of any complaint.

### **Retaliation Prohibited**

FSI forbids retaliation against an employee who has in good faith reported a bona fide incident of harassment or otherwise assisted in an investigation of harassment. FSI will make every good faith to ensure its employees' compliance with this policy.

### **PROFESSIONALISM**

Employees are expected to conduct themselves in a professional manner at all times. Workplace dating or romantic relationships must not interfere with any employee's professionalism, including treating others with respect and refraining from behavior that may make others feel uncomfortable (for example, overt physical displays of affection and using sexual language). In particular, management personnel are expected to set a high standard of professional conduct both at work and in any social setting at events sponsored by FSI. For this reason, no person in a management or supervisory position shall have a romantic or dating relationship with an employee whom he or she directly supervises or whose terms or conditions of employment he or she may influence (examples of terms or conditions of employment include promotion, termination, discipline and compensation). In addition, no employees working in the same department shall have such a relationship. A department is defined as a group of employees who report directly to the same supervisor.

### **AMERICANS WITH DISABILITIES ACT**

The Company is committed to complying with all applicable provisions of the Missouri Human Rights Act and/or Americans with Disabilities Act ("ADA"), as amended. It is the Company's policy not to discriminate against any qualified employee or applicant with regard to any terms or conditions of employment because of such individual's disability or perceived disability so long as the employee can perform the essential functions of the job. Consistent with this policy of nondiscrimination, the Company will provide reasonable accommodations to a qualified individual with a disability, as defined by the ADA, who has made the Company aware of his or her disability, provided that such accommodation does not constitute an undue hardship on the Company. Employees with a disability who believe they need a reasonable accommodation to perform

the essential functions of their job should contact their supervisor. The Company encourages individuals with disabilities to come forward and request reasonable accommodation.

On receipt of an accommodation request, your supervisor will meet with you to discuss and identify the precise limitations resulting from the disability and the potential accommodation that the Company might make to help overcome those limitations. The Company will determine the feasibility of the requested accommodation considering various factors, including, but not limited to the nature and cost of the accommodation, outside funding, FSI's overall financial resources and organization, and the accommodation's impact on the operation of the Company, including its impact on the ability of other employees to perform their duties and on the Company's ability to conduct business.

The Company will inform the employee of its decision on the accommodation request or on how to make the accommodation. If the accommodation request is denied, employees will be advised of their right to appeal the decision by submitting a written statement explaining the reasons for the request. If the request on appeal is denied, that decision is final. The ADA does not require the Company to make the best possible accommodation, to reallocate essential job functions, or to provide personal use items (i.e., eyeglasses, hearing aids, wheelchairs etc.).

An employee or job applicant who has questions regarding this policy or believes that he or she has been discriminated against based on a disability should notify their supervisor. All such inquiries or complaints will be treated as confidential to the extent permissible by law.

## **PREGNANCY AND RELATED CONDITIONS**

The Company is firmly committed to protecting the rights of expectant mothers and complying with Title VII of the 1964 Civil Rights Act as amended by the Pregnancy Discrimination Act of 1978 and the Missouri Human Rights Act. The Company's policy is to treat women affected by pregnancy, childbirth or related medical conditions in the same manner as other employees unable to work because of their physical condition in all employment aspects, including recruitment, hiring, training, promotion and benefits. Pregnant employees may continue to work until they are certified as unable to work by their physician. In the event an employee's pregnancy or child birth related condition requires a reasonable accommodation, then the employee should follow the same procedure for requesting an accommodation under the company's ADA policy.

## **RELIGIOUS ACCOMMODATIONS**

FSI complies with Title VII of the Civil Rights Act of 1964, and all applicable state and local fair employment practices laws, and is committed to providing equal employment opportunities to all individuals, regardless of their religious beliefs and practices or lack thereof. Consistent with this commitment, FSI will provide a reasonable accommodation of an applicant's or employee's sincerely held religious belief if the accommodation would resolve a conflict between the individual's religious beliefs or practices and a work requirement, unless doing so would create an undue hardship for Primary Systems.

*Requesting a Religious Accommodation.* If an employee believes he/she needs an accommodation because of his/her religious beliefs or practices or lack thereof, you should request an accommodation from your

immediate Supervisor. An employee may make the request orally or in writing. FSI encourages employees to make their request in writing and to include relevant information, such as:

- A description of the accommodation you are requesting.
- The reason you need an accommodation.
- How the accommodation will help resolve the conflict between your religious beliefs or practices or lack thereof and one or more of your work requirements.

After receiving your oral or written request, FSI will engage in a dialogue with you to explore potential accommodations that could resolve the conflict between your religious beliefs and practices and one or more of your work requirements. FSI encourages you to suggest specific reasonable accommodations that you believe would resolve any such conflict. However, FSI is not required to make the specific accommodation requested by you and may provide an alternative, effective accommodation, to the extent any accommodation can be made without imposing an undue hardship on FSI.

*Supporting Information.* FSI may ask you to provide additional information about your religious practices or beliefs and the accommodation requested. If you fail to provide the requested information, your request for an accommodation may be denied.

*Determinations.* FSI makes determinations about religious accommodations on a case-by-case basis considering various factors and based on an individualized assessment in each situation. FSI strives to make determinations on religious accommodation requests expeditiously, and will inform the individual once a determination has been made. If you have any questions about an accommodation request you made, please contact your immediate Supervisor.

## **IMMIGRATION LAW COMPLIANCE**

FSI 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 the Company within the past three years, or if their previous I-9 is no longer retained or valid.

Once the I-9 Form is completed, the information is verified through the E-Verify system. E-Verify provides an automated link to Department of Homeland Security and Social Security Administration databases to help determine employment eligibility of new hires and the validity of their Social Security numbers.

Re-verification on the Form I-9 Section 3 is conducted by the Company's human resources department. Employees with expiring work authorization must present evidence of continuing employment authorization no later than the day on which the current work authorization expires. The document(s) will be reviewed to determine if they appear to be genuine and related to the person who has presented them. Employees that

do not present continuing work authorization by the date their current authorization expires will be terminated as of the expiration date.

## **WORKPLACE VIOLENCE**

FSI is committed to preventing workplace violence and maintaining a safe work environment. Violence by an employee or anyone else against an employee, supervisor, customer, vendor, or member of management will not be tolerated. Employees, supervisors, customers, vendors, and members of management should be treated with courtesy and respect at all times. The purpose of this policy is to minimize the potential risk of personal injuries to employees at work and to reduce the possibility of damage to company property in the event someone, for whatever reason, may be unhappy with a company decision or action by an employee or member of management.

If you receive or overhear any threatening communications from an employee or outside third party or if you observe suspicious individuals or activity, report it to your supervisor at once. Do not engage in either physical or verbal confrontation with a potentially violent individual. If you encounter an individual who is threatening immediate harm to an employee or visitor to our premises, contact an emergency agency (such as 911) immediately.

All reports of work-related threats will be kept confidential to the extent possible, promptly investigated and documented. Employees are expected to report and participate in an investigation of any suspected or actual cases of workplace violence and will not be subjected to disciplinary consequences for such reports or cooperation.

Violations of this policy, including your failure to report or sully cooperate in the company's investigation, may result in disciplinary action, up to and including discharge.

## **SAFETY**

Safety can only be achieved through teamwork at our company. Each employee, supervisor and manager must practice safety awareness by thinking defensively, anticipating unsafe situations and reporting unsafe conditions immediately. FSI prohibits any form of discipline, reprisal, intimidation, or retaliation for reporting a health and safety concern or a violation of this policy or for cooperating in related investigations.

It is our goal to prevent personal injury to our employees by actively administering our safety rules and guidelines. It is our aim that: (a) every possible safety hazard be eliminated from all jobs; (b) every unsafe act or condition be immediately detected, reported, and corrected; (c) a good program of emergency readiness be provided; and (d) safety consciousness be instilled in all of our employees so that a perfect safety record can be achieved.

Please observe the following, non-exclusive, precautions:

1. Notify your supervisor of any emergency situation. If you are injured or become sick at work, no matter how slightly, you must inform your supervisor immediately.

2. The use of alcoholic beverages or illegal substances during working hours will not be tolerated. The possession of alcoholic beverages or illegal substances on the company's property is forbidden.
3. Use, adjust and repair machines and equipment only if you are trained and qualified.
4. Know the proper lifting procedures. Get help when lifting or pushing heavy objects.
5. Understand your job fully and follow instructions. If you are not sure of the safe procedure, it is your responsibility to consult a supervisor.
6. Know the locations, contents and use of the first aid and fire-fighting equipment.
7. Wear personal protective equipment in accordance with the job you are performing.

Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with their immediate supervisor. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of reprisal.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate Supervisor. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment.

FSI prohibits any form of discipline, reprisal, intimidation, or retaliation for reporting a health and safety concern or a violation of this policy or for cooperating in related investigations.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify their appropriate Supervisor. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures.

## **BUSINESS ETHICS AND CONDUCT**

The successful business operation and reputation of FSI is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of FSI is dependent upon our customers' trust, and we are dedicated to preserving that trust. Employees owe a duty to FSI, its customers, and shareholders to act in a way that will merit the continued trust and confidence of the public.

FSI will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate Supervisor for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every FSI employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

## **CONFLICT OF INTERESTS**

A COMPANY'S REPUTATION FOR INTEGRITY IS ITS MOST VALUABLE ASSET AND IS DIRECTLY RELATED TO THE CONDUCT OF ITS OFFICERS AND OTHER EMPLOYEES. Therefore, employees must never use their positions with the company, or any of its clients, for private gain, to advance personal interests or to obtain favors or benefits for themselves, members of their families or any other individuals, corporations or business entities.

The company adheres to the highest legal and ethical standards applicable in our business. The company's business is conducted in strict observance of both the letter and spirit of all applicable laws and the integrity of each employee is of utmost importance.

Employees of the company shall conduct their personal affairs such that their duties and responsibilities to the company are not jeopardized and/or legal questions do not arise with respect to their association or work with the company.

If an employee has any influence on transactions involving purchases, contracts or leases, it is imperative that they disclose to their Supervisor as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

## **CONFIDENTIALITY OF COMPANY INFORMATION**

It is the responsibility of all FSI employees to safeguard sensitive company information. The nature of our business and our economic well-being are dependent upon protecting and maintaining proprietary company information. Continued employment with FSI is contingent upon compliance with this policy. Sensitive company information is defined as, but not limited to: trade secrets, product formulations, processes, know-how, customers, designs, test data, marketing data, accounting, pricing, salary information, business plans and strategies, negotiations, raw material pricing, contracts, inventories, discoveries, and new product research.

Employees are explicitly forbidden from removing or making copies of company records, reports, or documents without prior approval of their supervisor or HR representative.

Each employee is required to sign a Nondisclosure and Non-solicitation Agreement as a condition of continued employment. An employee is required to notify his or her immediate supervisor if he or she has not signed this agreement.

If you are questioned by anyone outside the Company regarding any project/transaction at FSI, you should refer the request to your immediate Supervisor.

Because of its seriousness, disclosure of confidential information will lead to disciplinary action, up to and including termination.

Protecting our company's information is the responsibility of every employee. Do not discuss the company's confidential business or proprietary business matters, or share confidential, personal employee information with anyone who does not work for us such as friends, family members, members of the media, or other business entities.

Confidential information does not include information pertaining to the terms and conditions of an employee's employment. Nothing in this policy is designed to limit an employee's rights under Section 7 or the National Labor Relations Act.

All telephone calls regarding a current or former employee's position/compensation with our company must be forwarded to your supervisor.

The company's address shall not be used for the receipt of personal mail.

## **COMPANY VEHICLE POLICY**

Company Vehicles: Each person who is assigned and/or uses a company vehicle is responsible for the maintenance. FSI reserves the right to decide which employees are assigned a company vehicle. Persons specifically assigned their own vehicles (typically salesmen) are further responsible for licensing of the vehicle. Ordinary operating expenses such as gas, oil changes, etc. must be detailed on expense reports or they will not be reimbursed. It is recommended that mileage be noted on each expense report. Any expense in excess of \$250.00 requires pre-authorization by management and must be detailed on an expense report.

Personal use of company vehicles is prohibited.

### **Vehicle Safety**

Employees are required to wear seat belts in all company or rented vehicles. Not wearing a seat belt could be grounds for dismissal. Employees are also required to obey all traffic laws, and drive with lights on at all times. There is no smoking in any company vehicles.

### **Care of Vehicles**

Drivers of FSI vehicles must be aware that the vehicles driven while on the job were purchased or leased and are maintained by FSI. No alterations to these vehicles are to be performed without the direct permission from ownership. Any alterations in violation of this rule will be corrected at the expense of the driver, including purchase of the vehicle.

### **Driver Selection**

Driving records are considered with other job requirements in the selection of company personnel who may be required to operate a vehicle on company business. Each individual operating a vehicle on company business must have a proper, valid driver's license.

### **MVR Review**

As a condition of employment, a Driver Motor Vehicle Record will be obtained and reviewed. If the employee is hired and put to work prior to obtaining his or her MVR, THE EMPLOYEE'S HIRING IS CONDITIONAL ON THE

RECEIPT AND REVIEW OF THE EMPLOYEE'S DRIVER MOTOR VEHICLE RECORD. However, no provision of this section will affect the at-will status of the employee.

There are three (3) types of driving violations that differ significantly.

1. STATUTORY VIOLATIONS

These types of violations reflect questionable judgement and are generally licensing or registration offenses. For example:

- a. Operating an unregistered vehicle
- b. Using a false registration or license
- c. Driving while license has been suspended.

2. MAJOR VIOLATIONS

These types of violations are serious convictions which indicate a disregard for public safety. For example:

- a. Repeated speeding and/or traffic control violations
- b. Driving while intoxicated
- c. Reckless driving
- d. Hit-and-run
- e. Negligent homicide.

3. CAPITAL VIOLATIONS

These types of violations show a complete lack of moral judgment, and are felonies. For example:

- a. Murder or assault with a motor vehicle.
- b. Theft of a motor vehicle.

BASED ON THE MVR REVIEW, THE FOLLOWING GUIDELINES APPLY:

- Applicants for a driving position whose record shows a capital or major violation of five or more incidents within three (3) years will not be hired.
- Any in-service driver whose record shows a capital or major violation of (5) or more incidents within three (3) years will be terminated or placed on probation.
- Anyone involved in two (2) or more imotor vehictcal incidents in violation of this policy per year will be reviewed for disciplinary and/or driver training purposes.

### **Fleet Safety Policy and Rules**

The company's name and reputation rides with each driver of a vehicle used for company business. Therefore all company vehicles will be operated and maintained in a safe manner. Common sense, good judgment and road courtesy, as well as proper vehicle maintenance are the responsibilities of all drivers. Preventing vehicle accidents, property damage, and personal injury demand each employee's interest and concern.

1. OPERATING A COMPANY VEHICLE UNDER THE INFLUENCE OF DRUGS OR ALCOHOL IS STRICTLY PROHIBITED, AND GROUNDS FOR IMMEDIATE DISMISSAL.
2. A valid driver's license is a requirement for all employees operating vehicles on company business/property.



3. All occupants of company cars or vehicles, or while operating a personal vehicle while on company business must wear seat belts and use headlights day AND night, whenever the vehicle is being operated. Failure to do so is grounds for disciplinary action.
4. The legal posted speed limit shall be obeyed at all times.
5. The maintenance of a company vehicle is the driver's responsibility. Operation of an unsafe vehicle is contrary to company policy, and any defects related to its safe operation must be corrected immediately.
6. Drivers shall maintain a safe following distance at all times.
7. Only authorized FSI employees are allowed to operate company-owned/leased vehicles.
8. Personal use of company vehicles is strictly prohibited unless approval is granted by management with the personal use policy (for salesmen only).
9. If any drives a company vehicle, other than the authorized driver, and should be involved in an accident, the "assigned" driver of the vehicle will be liable for the damage sustained and any other type of claim or cost to the FSI vehicle.
10. Employees shall inform facility management of any moving violation received while operating company vehicles, or personal vehicles on company business.
11. FSI requires that all accident be reported to Management and Supervisors within 24 hours or occurrence. An accident is reportable regardless of severity, responsibility, damages, or injury. It is also reportable whether it occurred on private or public property, regardless of responsibility.
12. IF YOU ARE INVOLVED IN AN ACCIDENT, NEVER INDICATE TO ANYONE INVOLVED IN THE ACCIDENT THAT YOUR VEHICLE IS A COMPANY VEHICLE.
13. IF YOU ARE INVOLVED IN AN ACCIDENT, YOU MUST DO THE FOLLOWING:
  - Attend to the injured parties immediately (if possible)
  - Contact authorities if necessary
  - Complete the insurance card information (located in the Box of the vehicle)
  - Complete FSI Motor Vehicle Accident Report
  - Contact FSI Management immediately
  - Obtain a police report and forward it to FSI office within Seven (7) days.

## **FSI VEHICLE ACCIDENT REPORTING PROCEDURE**

*PRIMARY GOAL: ALL ACCIDENT INVESTIGATIONS TO BE CLOSED WITHIN 45 DAYS*

**THE FOLLOWING IS A NON-EXHAUSTIVE LIST AND THE TIME PERIODS MAY VARRY DEPENDING ON THE CIRCUMSTANCES. THERE MAY BE ADDITIONAL ITEMS AN EMPLOYEE WOULD BE REQUIRED TO PERFORM AFTER AN ACCIDENT.**

### **WITHIN 24 HOURS:**

TELEPHONE THE OCCURRENCE TO:

Supervisor

Safety Director

Company Officer

Be sure to include:

Name

Date of Accident

Location of Accident

Description of Accident

Injuries

Complete FSI Motor Vehicle Accident Report with Headquarters

**WITHIN 48 HOURS:**

Confirm receipt of FSI Motor Vehicle Accident Report with Headquarters

**WITHIN 7 DAYS:**

Obtain the Police Report.

Obtain two (2) estimates of damage.

**WITHIN 14 DAYS:**

Initial accident reviewed by Management and Supervisor.

**WITHIN 21 DAYS:**

Final determination and feedback.

**WITHIN 28 DAYS:**

Accident report and conclusions entered and filed by supervisor.

Further action (s) with employee determined and discussed with supervisor.

Possible follow up with employee.

**USE OF PHONE, MAIL, AND COMPUTER SYSTEMS**

It is important to keep our telephone lines free for client calls. Although the occasional use of the company's telephones for a personal emergency may be necessary routine personal calls are discouraged.

**Personal cellular phones must be turned off or set to a silent alert during working hours while on company premises.**

Employees are prohibited from using cellular phones to text message during working hours while on company premises.

To ensure effective telephone communications, employees should always use the approved greeting and speak in a courteous and professional manner. Please confirm information received from the caller, and hang up only after the caller has done so.

**Electronic and Voice Mail Monitoring**

We recognize your need to be able to communicate efficiently with fellow employees and clients. Therefore, we have installed internal electronic mail (email) and voice mail systems to facilitate the transmittal of business-related information within the company and with our clients.

The email and voice mail systems are intended for business use only during working time. The use of the company's email and/or voice mail systems to solicit fellow employees or distribute non job-related

information to fellow employees is prohibited at all times. Nothing in this section shall be construed to impair an employee's Section 7 rights.

Our company's policies against harassment apply fully to the email and voice mail systems. Violations of those policies are not permitted and may result in disciplinary action, up to and including discharge. Therefore, employees are also prohibited from the display or transmission of sexually-explicit images, messages, ethnic slurs, racial epithets or anything that could be construed as harassment or disparaging to others.

Employees shall not use unauthorized codes or passwords to gain access to other's files and or accounts.

All email and voice mail passwords must be made available to the company at all times. Please notify your supervisor if you need to change your password.

For business purposes, management reserves the right to enter, search, and/or monitor the company's private email and voice mail systems and the files/transmissions of any employee without advance notice and consistent with applicable state and federal laws. Employees should expect that the communications that they send and receive by the company's private email and voice mail systems will be disclosed to management. Employees should not assume that communications that they send and receive by the company's private email and voice mail systems are private or confidential.

### **External Software**

FSI strives to provide regular upgrades and maintenance to all company computers. In order to keep maintenance to a minimum, employees may not bring in or install any software on company computers. If employees wish to add software to their computer that will enhance their work performance, a supervisor must approve the software.

If any software that has been installed by an employee without proper authorization causes failure or extra maintenance to FSI's computers or network operation, the employee will be billed according to standard rates. FSI will also remove the software.

If any software that has been installed by the employee without proper authorization causes failure or extra maintenance to any company server(s), the employee will be billed for services to repair according to standard rates. FSI has the authority to remove any suspicious software.

If any employee's non-authorized software cause viruses, data loss, or any other software or hardware problem to a network or hardware outside of FSI and it results in expense to FSI from a third party, the employee will be billed for the expense.

### **Internet Usage and Monitoring**

As a growing company, we recognize the need to stay on the cutting edge of technology. This is one of the reasons we allow employees to have access to the internet.

The internet is intended for business use only. Use of the internet for any non-business purpose, including but not limited to, personal communication or solicitation, purchasing personal good or services, gambling and downloading files for personal use, is strictly prohibited.

Our company's policies against harassment apply fully to internet usage, including the use of instant messaging programs. Violations of those policies are not permitted and may result in disciplinary action, up to and including discharge. Therefore, employees are also prohibited from the display or transmission of sexually-explicit images, messages, ethnic slurs, racial epithets or anything that could be construed as harassment or disparaging to others.

**Consistent with applicable federal and state law, the time you spend on the internet may be tracked through activity logs for business purposes. All abnormal or inappropriate usage will be investigated thoroughly. For business purposes, management reserved the right to search and/or monitor the company's internet usage and files/transmissions of any employee without advance notice and consistent with applicable state and federal laws. Employees should expect that communications that they send and receive by the internet will be disclosed to management. Employees should not assume that communications that they send and receive by the internet are private or confidential.**

Please note that even when the user or recipient erases an e-mail message or computer file, it may be possible to re-create the message or file. In this regard, the Company reserves the right to audit any and all information regarding employee use of electronic communication devices. Among other things, this means that the Company will be able to audit:

- Access to its system, including successful and failed login attempts and logouts;
- Computer file creation, deletion, saving, copying, accessing, editing, and transfers;
- Sent and received e-mail messages;
- Web sites visited, including uniform resource locator (URL) of pages retrieved;
- Date, time, and user associated with each event.

Employees learning of any misuse of the internet shall notify a member of management.

Violation of this policy may result in disciplinary action up to and including discharge.

### **Acceptable Use of Electronics**

This policy contains guidelines for Electronic Communications created, sent, received, used transmitted, or stored using company communication systems or equipment and employee provided systems or equipment used within in the workplace, during working time or to accomplish work tasks during working time.

"Electronic Communications" include, among other thing, messages, images, data or any other information used in email, instant messages, voice mail, fax machines, computers, personal digital assistants (including Blackberry, iPhone, iPad tablet, smart phone or similar devices), text messages, pagers, telephones, cellular and mobile phones including those with cameras, intranet, internet, back-up to storage, information on a memory or flash key or card, jump or zip drive or any other type of internal or external removable storage drives. In the remainder of this policy, all of these communication devices are collectively referred to as "Systems".

Employees may use our Systems to communicate internally with co-workers or externally with clients, suppliers, vendors, advisors, and other business acquaintances for business purposes during working time.

All Electronic Communications contained in company Systems are company records and/or property. Although an employee may have an individual password to access our Systems, the Systems and Electronic

communications belong to the company. The Systems and Electronic Communications are accessible to the company at all times including periodic unannounced inspections. Our Systems and Electronic Communications are subject to use, access, monitoring, review, recoding and disclosure without further notice. Our Systems and Electronic Communications are not confidential or private. The company's right to use, access, monitor, record and disclose Electronic Communications without further notice applies equally to employee-provided systems or equipment used in the workplace, during working time, or to accomplish work tasks.

Although incidental and occasional personal use of our Systems that does not interfere or conflict with the productivity or the company's business or violate policy is permitted, personal communications in our Systems are treated the same as all other Electronic Communications and will be used accessed, recorded, monitored, and disclosed by the company at any time without further notice. Since all Electronic Communications and Systems can be accessed without advance notice, employees should not use our Systems for communication or information that employees would not revealed to third parties.

Employees may not use our Systems in a manner that violates our policies including but not limited to Equal Opportunity, No Harassment, Protecting Company Information, Non-Solicitation, Distribution, Electronic and Voice Mail Monitoring, and Internet Usage. Employees may not use our Systems in any way that may be seen as insulting, disruptive, obscene, offensive, or harmful to morale. Examples of prohibited uses include, but are not limited to, sexually-explicit drawings, messages, images, cartoon, or jokes; propositions, or love letters, ethnic or racial slurs, threats or violence or bullying, or derogatory comments; or any other message or image that may be in violation of company policies or federal, state or local law.

In addition, employees may not use our Systems:

- To download, save, send or access any discriminatory or obscene material;
- To download anything from the internet (including shareware or free software) without the advance written permission of your supervisor
- To download, save, send or access any Site or content that the company might deem "adult entertainment"
- To access any "blog" or otherwise post a personal opinion on the internet during working time
- To attempt to gain unauthorized or unlawful access to computers, equipment, networks, or systems of the company or any other person or entity
- To solicit employees or others during working time
- In connection with any infringement of intellectual property rights, including but not limited to copyrights; and
- In connection with the violation or attempted violation of any law.

An employee may not misrepresent, disguise, or conceal his or her identity or another's identity in any way while using Electronic Communications; make changes to Electronic Communications without clearly indicating such changes; or use another person's account, mailbox, password, etc. without prior written approval of the account owner and without identifying the actual author.

Employees must always respect intellectual property rights such as copyrights and trademarks. Employees must not copy, use, or transfer trade secrets or proprietary materials of the company or others without appropriate authorization.

All Systems passwords and encryption keys must be available and known to the company. You may not install password or encryption programs without the written permission of your supervisor. Employees may not use the passwords and encryption keys belonging to others.

Numerous state and federal laws apply to Electronic Communications. The company will comply with applicable laws. Employees must also comply with the applicable laws and should recognize that an employee could be personally liable and/or subject to fine and imprisonment for violation of applicable laws.

This policy does not limit an employee's rights under Section 7 of the National Labor Relations Act. Nothing in this policy is meant to restrict an employee's right to discuss the terms and conditions of his/her employment during non-working hours using non-company systems. Nothing in this policy is meant to restrict an employee's right to engage in Section 7 protected communications on non-working time.

Violations of this policy may result in disciplinary action up to and including discharge as well as possible civil liabilities or criminal prosecution. Where appropriate, the company may advise legal officials or appropriate third parties or policy violations and cooperate with official investigations. We will not, of course, retaliate against anyone who reports possible policy violations or assists with investigations.

## **SOCIAL NETWORKING POLICY**

The company has in place policies that govern use of its own electronic communication systems, equipment and resources which employees must follow: We encourage you to use good judgment when communicating via social media.

"Social media" includes all means of communicating or posting information or content of any sort on the internet, including to your own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or chat room, whether or not associated or affiliated with the company as well as any other form of electronic communication.

The same principles and guidelines found in the company's Employee Handbook policies apply to your activities online. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow employees or otherwise adversely affects clients, vendors, suppliers, people who work on behalf of the company or its legitimate business interests may result in disciplinary action up to and including immediate discharge.

The following is a general and non-exhaustive list of guidelines you should keep in mind:

1. Always be fair and courteous to fellow employees, clients, vendors, suppliers or people who work on behalf of the company. Also keep in mind that you are more likely to resolve work related complaints by speaking directly with our co-workers than by posting complaints to a social media outlet. If you decide to post complaints or criticism, avoid using statements, photographs, video or audio that

reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparages clients, employees, vendors or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, age, gender, national origin, color, disability, religion or any other status protected by federal, state, or local law or company policy. Inappropriate postings that may include discriminatory remarks, harassment, retaliation and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including immediate discharge.

2. Make sure you are always truthful and accurate when posting information or news. If you make a mistake, correct it quickly. Be open about any previous posts you have altered. Use privacy settings when appropriate. Remember that the internet archives almost everything: therefore, even deleted postings can be searched. The internet is immediate. Nothing that is posted ever truly "expires". Never post any information or rumors that you know to be false about the company, fellow employees, clients, vendors, suppliers, or people working on behalf of the company or competitors.
3. Maintain the confidentiality of company trade secrets and proprietary or confidential information. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures or other internal business-related confidential communications.
4. Do not create a link from your blog, website or other social networking site to the company's website without identifying yourself as a company employee.
5. Express only your personal opinions. Never represent yourself as a spokesperson for the company. If the company is a subject of the content you are creating, be clear and open about the fact that you are an employee and make it clear that your views do not represent those of the company, fellow employees, clients, vendors, suppliers or people working on behalf of the company. If you do publish a blog or post online related to the work you do or subjects associated with the company, make it clear that you are not speaking on behalf of the company. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of Foam Supplies, Inc."
6. You must refrain from using social media while on working time or while using equipment we provide, unless it is work-related as authorized by your supervisor, or other member of management, or consistent with the Acceptable Use of Electronic Communications Policy.
7. Do not use any company email addresses to register on social networks, blogs or other online tools utilized for personal use.

Employees are encouraged to report violations of this policy. The company prohibits retaliation against any employee for reporting a possible deviation from this policy or for cooperating in an investigation.

Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including immediate discharge.

You should not speak to the media on the company's behalf without contacting your supervisor. All media inquiries should be directed to them.

Where applicable, the company complies with state laws concerning access to an employee's personal social networking account, including restrictions concerning employer requests for an employee's username and/or password.

Nothing in this policy is designed to limit an employee's rights under Section 7 or the National Labor Relations Act.

## **OUTSIDE EMPLOYMENT**

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

If FSI determines that an employee's outside work interferes with performance or the ability to meet the requirements of FSI 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 FSI.

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

## **VISITORS IN THE WORKPLACE**

If you are expecting a visitor, please notify your supervisor. All visitors must first check in at the reception area. Visitors are not allowed in any area of the building without being accompanied by an authorized employee. Under no circumstances will visitors be allowed in confidential, unauthorized or potentially hazardous areas. If any employee observes an unauthorized individual, they should immediately notify their supervisor.

### **Visitor Guidelines**

1. Your FSI host must escort you from the reception area. You must stay with your host unless given permission to go unescorted to other areas within the site.
2. Please wear a visitor's badge (provided at the reception desk) or identification issued to you at all times.
3. In case of emergency, follow the instructions given by FSI associates.
4. Approved safety equipment, such as the following, must be worn in designated areas:
  - a. Safety Glasses/Goggles
  - b. Hard Hat
  - c. Hearing Protection
  - d. Appropriate Footwear or Safety Shoes
  - e. Respiratory Protection
5. Smoking is not permitted on Foam Supplies site.
6. Illegal drugs, alcoholic beverages, or firearms are not permitted on site.



7. Photographs cannot be taken without prior written approval.
8. Speed limit on FSI grounds is 10mph and seat belts must be worn at all times.
9. Permission is required for maintenance work.
10. The use of electronic devices (cell phones, cameras, test equipment, etc.) or power tools with an electrically classified area is strictly prohibited unless permission for its use has been granted via a Hot Work Permit.

FOR CHEMICAL EMERGENCIES CALL CHEMTREC

1-800-262-8200 24 HRS/DAY, 7 DAYS/WEEK [WWW.CHEMTREC.ORG](http://WWW.CHEMTREC.ORG)

## **EMERGENCY CLOSINGS**

At times, emergencies such as severe weather, fires, power failures, or earthquakes, can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility. A closing would be without pay.

In cases where an emergency closing is not authorized, employees who fail to report for work will not be paid for the time off. Employees may request available paid leave time such as unused vacation benefits or sick leave.

## **OPEN DOOR POLICY- PROBLEM SOLVING**

FSI strives to promote cooperative teamwork among all employees through open communications. When problems arise in the course of employment, free discussion and exchange of ideas can usually resolve differences of opinion. Therefore, each employee is encouraged to discuss their issue and/or concern with their immediate supervisor.

There may be situations when an employee may not feel comfortable discussing an issue or concern with their supervisor. In these cases, you may request a meeting with your next level of management. If the above process is not satisfactory, there is a more formal problem resolution procedure. You may put your concern in writing to HR or FSI's President. You will receive a response to your concerns as soon as possible.

## **EMPLOYEE BENEFITS**

Eligible employees at FSI are provided a wide range of benefits. These benefits are subject to change from time to time. 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. Employees in the following employment classification(s) are eligible for some or all benefits as described in this section: Regular full-time employees. Your Supervisor can identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in the employee handbook.

Please understand that this general explanation is not intended to, and does not, provide you with all the details of these benefits. Therefore, this Handbook does not change or otherwise interpret the terms of the

official plan documents. Your rights can be determined only by referring to the full text of the official plan documents, which are available for your examination at the office. To the extent that any of the information contained in this Handbook is inconsistent with the official plan documents, the provisions of the official documents will govern in all cases.

Please note that nothing contained in the benefit plans described herein shall be held or construed to create a promise of employment or future benefits, or a binding contract between FSI and its employees or their dependents, for benefits or for any other purpose. All employees shall remain subject to discharge or discipline to the same extent as if these plans had not been put into effect.

As in the past, FSI reserves the right, in its sole and absolute discretion, to amend, modify or terminate, in whole or in part, any or all of the provisions of the benefit plans and to require an increase in employee premium contributions toward any benefits with or without advance notice. Further, FSI reserves the exclusive right, power and authority, in its sole and absolute discretion, to administer, apply and interpret the benefit plans described herein, and to decide all matters arising in connection with the operation or administration of such plans.

For more complete information regarding any of our benefit programs, please refer to the Summary Plan Descriptions, which were provided to you separately or contact your supervisor or the Office Manager.

## **HEALTH INSURANCE**

FSI's health insurance plan provides employees and their dependents access to medical and dental insurance benefits. Employees in the following employment classifications are eligible to participate in the health insurance plan: Regular full-time employees

Eligible employees may participate in the health insurance plan subject to all terms and conditions of the agreement between FSI and the insurance carrier.

Our group health and life insurance programs are described more fully in summary plan description booklets, which are available once you are eligible to participate in these programs. Complete descriptions of our group health insurance programs are also in FSI's master insurance contracts with insurance carriers. If information in this handbook and our summary plan descriptions contradicts information in these master contracts or master plan documents, the master contracts/documents shall govern in all cases.

FSI reserves the right to amend or terminate any of its benefit programs or to require or increase employee premium contributions toward any benefits with or without advance notice at its discretion. FSI will notify plan participants of all approved changes or plan termination, in accordance with the requirements of applicable federal and state law. Some benefit programs may require contributions from the employee.

Information on cost of coverage will be provided in advance of enrollment to eligible employees. Contact your immediate Supervisor for more information about health insurance benefits.

## **MATCHED SAVINGS PLAN (401K)**

Our company provides eligible employees with a 401(k) Qualified Retirement plan which is an excellent means of long-term savings for your retirement. The company's contribution, if any, is determined by the employer on an annual basis.

You can obtain a copy of the Summary Plan Description which contains the details of the plan including eligibility and benefit provisions from your supervisor. In the event of any conflict in the description of any plan, the official plan documents, which are available to you for your review, shall govern. If you have any questions regarding this plan, see the plan administrator.

## **WORKERS' COMPENSATION**

FSI 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. Neither FSI nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by FSI. Any medical treatment for a worker's compensation claim must be at an approved treatment center. No appointment is required, however, authorization may be required. Failure to use an approved treatment center may result in un-reimbursable charges to the employee.

## **BENEFITS CONTINUATION (COBRA)**

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under FSI'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 a dependent child no longer meeting eligibility requirements.

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

The State Continuation Plan for small businesses gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under FSI'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 a dependent child no longer meeting eligibility requirements.

## **TIME OFF BENEFITS**

### **VACATION BENEFITS**

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Employees in the following employment classification(s) are eligible to earn and use vacation time as described in this policy: regular full-time employees

The amount of vacation time employees receive each year increases with the length of their employment as shown in the following schedule:

- After one full anniversary year, you shall be entitled to one week of paid vacation.
- After two full anniversary years, and each year thereafter, you shall be entitled to two weeks of paid vacation.
- After six full anniversary years, and each year thereafter, you shall be entitled to one additional day per year (up to 15 days) of paid vacation.

To take vacation, employees should request advance written approval from their Supervisor. Vacation should be requested as much in advance as possible. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

Vacation time off is paid at the employee's base pay rate at the time of vacation. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials. Vacation terms may be based on calendar year at the discretion of management.

The company believes it is important for each employee to use all of their accrued vacation each calendar year. Accordingly, accrued but unused vacation time does not roll over into another calendar year.

### **HOLIDAYS**

Our company will be closed on the following holidays:

New Year's Day

Good Friday

Memorial Day

Independence Day

Labor Day

Thanksgiving Day

Christmas Day

In addition to the above holidays, you may take two un-paid days off with management approval.

## **SICK LEAVE BENEFITS**

Full-time employees are eligible, after their introductory period, for five (5) paid sick days each year. Sick days are calculated according to the calendar year. Sick days cannot be carried over to the following year. Employees are not paid in lieu of taking the actual time off.

At the end of employment, employees are not paid for earned but unused sick days.

Employees who are unable to report to work due to illness or injury should notify their direct supervisor before the scheduled start of their workday if possible. The direct Supervisor must also be contacted on each additional day of absence.

Sick leave benefits will be calculated based on the employee's base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

Sick leave benefits are intended solely to provide income protection in the event of illness or injury. A sick day may never be used immediately prior to or immediately after a company scheduled or personal vacation day. Unused sick leave benefits will not be paid to employees while they are employed or upon termination of employment.

## **FAMILY AND MEDICAL LEAVE ACT**

Upon hire, FSI provides all new employees with notices required by the U.S. Department of Labor (DOL) on Employee Rights and Responsibilities Under the Family and Medical Act (FMLA).

The function of this policy is to provide employees with a general description of their FMLA rights. In the event of any conflict between this policy and the applicable law, employees will be afforded all rights required by law.

If you have any questions, concerns or disputes with this policy, you must contact Human Resources in writing.

### **General Provisions**

Under this policy, FSI will grant up to 12 weeks (or up to 26 weeks of military caregiver leave to care for a covered service member with a serious injury or illness) during a 12-month period to eligible employees. The leave may be paid, unpaid or a combination of paid and unpaid leave, depending on the circumstances of the leave and as specified in this policy.

### **Eligibility**

To qualify to take family or medical leave under this policy, the employee must meet the following conditions:

- The employee must have worked for the company for 12 months or 52 weeks. The 12 months or 52 weeks need not have been consecutive. Separate periods of employment will be counted, provided that the break in service does not exceed seven years. Separate periods of employment will be counted if the break in service exceeds seven years due to National Guard or Reserve military service

obligations or when there is a written agreement, including a collective bargaining agreement, stating the employer's intention to rehire the employee after the service break. For eligibility purposes, an employee will be considered to have been employed for an entire week even if the employee was on the payroll for only part of a week or if the employee is on leave during the week.

- The employee must have worked at least 1,250 hours during the 12-month period immediately before the date when the leave is requested to commence. The principles established under the Fair Labor Standards Act (FLSA) determine the number of hours worked by an employee. The FLSA does not include time spent on paid or unpaid leave as hours worked. Consequently, these hours of leave should not be counted in determining the 1,250 hours eligibility test for an employee under FMLA.
- The employee must work in a work site where 50 or more employees are employed by the company within 75 miles of that office or work site. The distance is to be calculated by using available transportation by the most direct route.

### **Type of Leave Covered**

To qualify as FMLA leave under this policy, the employee must be taking leave for one of the reasons listed below:

- The birth of a child and in order to care for that child.
- The placement of a child for adoption or foster care and to care for a newly placed child.
- To care for a spouse, child or parent with a serious health condition (described below).
- The serious health condition (described below) of the employee.

An employee may take leave because of a serious health condition that makes the employee unable to perform the functions of the employee's position.

A serious health condition is defined as a condition that requires inpatient care at a hospital, hospice or residential medical care facility, including any period of incapacity or any subsequent treatment in connection with such inpatient care or as a condition that requires continuing care by a licensed health care provider.

This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences. Generally, a chronic or long-term health condition that would result in a period of three consecutive days of incapacity with the first visit to the health care provider within seven days of the onset of the incapacity and a second visit within 30 days of the incapacity would be considered a serious health condition. For chronic conditions requiring periodic health care visits for treatment, such visits must take place at least twice a year.

Employees with questions about what illnesses are covered under this FMLA policy or under the company's sick leave policy are encouraged to consult with the Human Resource manager.

If an employee takes paid sick leave for a condition that progresses into a serious health condition and the employee requests unpaid leave as provided under this policy, the company may designate all or

some portion of related leave taken as leave under this policy, to the extent that the earlier leave meets the necessary qualifications.

- Qualifying exigency leave for families of members of the National Guard or Reserves or of a regular component of the Armed Forces when the covered military member is on covered active duty or called to covered active duty.

An employee whose spouse, son, daughter or parent has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service. The qualifying exigency must be one of the following: a) short-notice deployment, b) military events and activities, c) child care and school activities, d) financial and legal arrangements, e) counseling, f) rest and recuperation, g) post-deployment activities, and h) additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on timing and duration of the leave.

*Covered active duty* means:

- In the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country.
- In the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty under a provision of law referred to in Title 10 U.S.C. §101(a)(13)(B).

The leave may commence as soon as the individual receives the call-up notice. (*Son or daughter* for this type of FMLA leave is defined the same as for *child* for other types of FMLA leave except that the person does not have to be a minor.) This type of leave would be counted toward the employee's 12-week maximum of FMLA leave in a 12-month period.

- Military caregiver leave (also known as covered service member leave) to care for an injured or ill service member or veteran.

An employee whose son, daughter, parent or next of kin is a covered service member may take up to 26 weeks in a single 12-month period to take care of leave to care for that service member.

*Next of kin* is defined as the closest blood relative of the injured or recovering service member.

The term *covered service member* means:

- A member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation or therapy or is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness.
- A veteran who is undergoing medical treatment, recuperation or therapy for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation or therapy.

The term *serious injury or illness* means:

- In the case of a member of the Armed Forces (including a member of the National Guard or Reserves), an injury or illness that was incurred by the member in line of duty on active duty in the Armed Forces (or that existed before the beginning of the member's active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that may render the member medically unfit to perform the duties of the member's office, grade, rank or rating.
- In the case of a veteran who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during a period when the person was a covered service member, a qualifying (as defined by the Secretary of Labor) injury or illness that was incurred by the member in line of duty on an active duty in the Armed Forces (or that existed before the beginning of the member's active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that manifested itself before or after the member became a veteran.

### **Amount of Leave**

An eligible employee may take up to 12 weeks for the first five FMLA circumstances above (under heading "Type of Leave Covered") under this policy during any 12-month period. The company will measure the 12-month period as a rolling 12-month period measured backward from the date an employee uses any leave under this policy. Each time an employee takes leave, the company will compute the amount of leave the employee has taken under this policy in the last 12 months and subtract it from the 12 weeks of available leave, and the balance remaining is the amount of time the employee is entitled to take at that time.

An eligible employee can take up to 26 weeks for the FMLA military caregiver leave circumstance above during a single 12-month period. For this military caregiver leave, the company will measure the 12-month period as a rolling 12-month period measured forward. FMLA leave already taken for other FMLA circumstances will be deducted from the total of 26 weeks available.

If a husband and wife both work for the company and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent (but not a parent "in-law") with a serious health condition, the husband and wife may only take a combined total of 12 weeks of leave. If a husband and wife both work for the company and each wishes to take leave to care for a covered injured or ill service member, the husband and wife may only take a combined total of 26 weeks of leave.

### **Employee Status and Benefits During Leave**

While an employee is on leave, the company will continue the employee's health benefits during the leave period at the same level and under the same conditions as if the employee had continued to work.

### **Employee Status After Leave**

An employee who takes leave under this policy may be asked to provide a fitness for duty (FFD) clearance from the health care provider.

### **Use of Paid and Unpaid Leave**

All paid vacation, personal and sick leave runs concurrently with FMLA leave.

Disability leave for the birth of a child and for an employee's serious health condition, including workers' compensation leave (to the extent that it qualifies), will be designated as FMLA leave and will run concurrently with FMLA.



### **Intermittent Leave or a Reduced Work Schedule**

The employee may take FMLA leave in 12 consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year) or, under certain circumstances, may use the leave to reduce the workweek or workday, resulting in a reduced-hour schedule. In all cases, the leave may not exceed a total of 12 workweeks (or 26 workweeks to care for an injured or ill service member over a 12-month period).

### **Certification for the Employee's Serious Health Condition**

The company will require certification for the employee's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

### **Certification for the Family Member's Serious Health Condition**

The company will require certification for the family member's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

### **Certification of Qualifying Exigency for Military Family Leave**

The company will require certification of the qualifying exigency for military family leave. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

### **Certification for Serious Injury or Illness of Covered Service Member for Military Family Leave**

The company will require certification for the serious injury or illness of the covered service member. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

### **Recertification**

The company may request recertification for the serious health condition of the employee or the employee's family member when circumstances have changed significantly, or if the employer receives information casting doubt on the reason given for the absence, or if the employee seeks an extension of his or her leave. Otherwise, the company may request recertification for the serious health condition of the employee or the employee's family member every six months in connection with an FMLA absence.

### **Procedure for Requesting FMLA Leave**

All employees requesting FMLA leave must provide the HR manager with verbal or written notice of the need for the leave. Within five business days after the employee has provided this notice, the HR manager will provide the employee with the DOL Notice of Eligibility and Rights.

When the need for the leave is foreseeable, the employee must provide the employer with at least 30 days' notice. When an employee becomes aware of a need for FMLA leave less than 30 days in advance, the employee must provide notice of the need for the leave either the same day or the next business day. When the need for FMLA leave is not foreseeable, the employee must comply with the company's usual and customary notice and procedural requirements for requesting leave.

### **Designation of FMLA Leave**

Within five business days after the employee has submitted the appropriate certification form, the HR manager will provide the employee with a written response to the employee's request for FMLA leave.

#### **Intent to Return to Work from FMLA Leave**

The company may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

#### **PERSONAL DAYS**

Full-time employees are eligible, after their introductory period, for two paid personal days each year. Personal days are calculated according to the calendar year.

Personal days can be used as vacation time, sick time or to take care of personal matters. Requests for planned personal days must be given to the supervisor at least ten (10) days in advance for approval.

Personal days cannot be carried over to the following year. Employees are not paid in lieu of taking the actual time off. Personal days cannot be used in conjunction with other paid time off. At the end of employment, employees are not paid for earned but unused personal days.

#### **TIME OFF TO VOTE**

FSI encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees are able to find time to vote either before or after their regular work schedule. If employees are unable to vote in an election during their nonworking hours, FSI will grant up to 1 hour of paid time off to vote.

Employees should request time off to vote from their supervisor at least two working days prior to the Election Day. Advance notice is required so that the necessary time off can be scheduled at either the beginning or end of the work shift, whichever provides the least disruption to the normal work schedule.

#### **BEREAVEMENT LEAVE**

Employees may receive up to two (2) paid days for absences (from date of death through day of funeral) due to a death in their immediate family. For purposes of this policy, immediate family includes: spouses, parents, children, siblings, in-laws, grandparents, and grandchildren.

#### **JURY DUTY**

Employees will be paid their normal salary while serving on a jury on a regularly scheduled work day or holiday, up to a maximum of five (5) calendar days per year. If employees are required to serve jury duty

beyond the period of paid jury duty leave, they may use any available paid time off or may request an unpaid jury duty leave of absence.

Employees must show the jury duty summons to their Supervisor as soon as possible so that the Supervisor may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits.

Either FSI or the employee may request an excuse from jury duty if, in FSI's judgment, the employee's absence would create serious operational difficulties. FSI will continue to provide health insurance benefits for the full term of the jury duty absence. Vacation, sick leave, and holiday benefits will continue to accrue during unpaid jury duty leave.

### **WITNESS DUTY**

If employees have been subpoenaed or otherwise requested to testify as witnesses by FSI, they will receive paid time off for the entire period of witness duty up to 8 hours.

Employees will be granted a maximum of 8 hours of paid time off to appear in court as a witness at the request of a party other than FSI.

The subpoena should be shown to the employee's Supervisor immediately after it is received so that operating requirements can be adjusted, where necessary, to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits.

### **MILITARY LEAVE**

A military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable.

Employees will continue to receive full pay while on leave for two-week training assignments and shorter absences. The portion of any military leaves of absence in excess of two weeks will be unpaid. However, employees may use any available paid time off for the absence. Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible. Vacation, sick leave, and holiday benefits will continue to accrue during a military leave of absence.

Employees on military leave for up to 30 days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with USERRA and all applicable state laws.

Employees returning from military leave will be placed in the position they would have attained had they remained continuously employed or a comparable one depending on the length of military service in accordance with USERRA. They will be treated as though they were continuously employed for purposes of

determining benefits based on length of service. Contact your Supervisor for more information or questions about military leave.

## **LEAVE OF ABSENCE POLICY**

Full time salaried and salaried non-exempt employees are eligible for an unpaid medical leave of absence for medical reasons of temporary duration due to illness, pregnancy or injury. Any absence of 5 or more consecutive days may be classified as a leave of absence starting on the 5th day and will be subject to the Leave of Absence Policy. The maximum duration of a medical leave of absence is based upon the employee's length of service and is not extended as a result of paid sick time prior to leave:

| Length of Service | Max. Medical Leave of Absence |
|-------------------|-------------------------------|
| Less than 1 year  | One (1) Month                 |
| One year +        | Three (3) Months              |

Based upon the schedule above, in the event an employee were to take 1 month for leave, the employee would be required to use any accrued paid sick time and the remainder of time would be unpaid and will be subject to any available short term disability. Employees may elect to use available vacation time to bridge the gap between sick time and STD eligibility, (if applicable). The use of paid time (vacation or sick) does not extend the maximum duration of leave.

Advise your supervisor or speak to HR if you need to request a medical leave of absence. A certification of the requirement of medical leave will be required from your physician. A written release from your physician is required in order to return to work after a leave of absence.

During a medical leave of absence, an employee may maintain current benefit eligibility and may maintain current medical, dental, life and disability plan enrollment as long as the required employee contributions continue to be paid during the leave. If premium payments are not made, benefits may be suspended or cancelled. Reinstatements at the end of the leave of absence cannot be guaranteed. However, an effort will be made to find the employee a suitable position when the employee is released to return to work.

An employee who does not return to work after the expiration of a medical leave of absence will be treated as a voluntary resignation.

## **PREGNANCY RELATED ABSENCES**

FSI provides pregnancy disability leaves of absence without pay to eligible employees who are temporarily unable to work due to a disability related to pregnancy, childbirth, or related medical conditions. Employees in the following employment classifications are eligible to request pregnancy disability leave as described in this policy: regular full-time employees

Eligible employees may request pregnancy disability leave only after having completed 90 calendar days of service. Employees should make requests for pregnancy disability leave to their Supervisors at least 30 days in

advance of foreseeable events and as soon as possible for unforeseeable events. A health care provider's statement must be submitted verifying the need for pregnancy disability leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to FSI. Employees returning from pregnancy disability leave must submit a health care provider's verification of their fitness to return to work. Employees are normally granted unpaid leave for the period of the disability, up to a maximum of 12 weeks within any 12-month period. Employees may substitute any accrued paid leave time for unpaid leave as part of the pregnancy disability leave period. Subject to the terms, conditions, and limitations of the applicable plans, FSI will continue to provide health insurance benefits for the full period of the approved pregnancy disability leave. Benefit accruals, such as vacation, sick leave, and holiday benefits, will continue during the approved pregnancy disability leave period. So that an employee's return to work can be properly scheduled, an employee on pregnancy disability leave is requested to provide FSI with at least two weeks advance notice of the date she intends to return to work. When a pregnancy disability leave ends, the employee will be reinstated to the same position, unless either the job ceased to exist because of legitimate business reasons or each means of preserving the job would substantially undermine the ability to operate FSI safely and efficiently. If the same position is not available, the employee will be offered a comparable position in terms of such issues as pay, location, job content, and promotional opportunities. If an employee fails to report to work promptly at the end of the pregnancy disability leave, FSI will assume that the employee has resigned.

## **EMPLOYMENT GUIDELINES**

### **EMPLOYMENT APPLICATIONS**

FSI relies upon the accuracy of 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.

### **CRIMINAL RECORDS CHECK/BACKGROUND CHECK**

Due to the nature of FSI's business, insurance, and liability requirements, all employees may be asked to provide a satisfactory police records check, background check and/or drug test at the time of employment or anytime thereafter. All prospective candidates for employment at FSI as well as current FSI employees will have to have a satisfactory (i.e. clean) initial and annual criminal records check from the St. Louis County Police Department

### **PROBATION PERIOD**

Every new employee or an employee in a new position goes through an initial period of adjustment in order to learn about FSI and about his/her job or new job. During this time the employee will have an opportunity to find out if he/she is suited to, and likes, his/her new position. Additionally, the initial employment period

gives the employee's supervisor a reasonable period of time to evaluate his/her performance. The initial employment period is six months.

During this time, the new employee will be provided with training and guidance from their immediate supervisor. An Employee may be discharged at any time during this period if the supervisor concludes that the employee is not progressing or performing satisfactorily. Under appropriate circumstances, the initial employment may be extended. Additionally, as is true at all times, an employee's employment with FSI is not for any specific time and may be terminated at will, with or without cause and without prior notice.

At the end of the initial employment period, the employee and his/her supervisor may discuss his/her performance. Provided his/her job performance is "satisfactory" at the end of the initial employment period, he/she will continue in our employment as an at-will employee.

## **ATTENDANCE AND PUNCTUALITY**

To maintain a safe and productive work environment, FSI expects employees to be reliable and to be punctual in reporting for scheduled work. Your attendance enables FSI to provide first-rate service to our customers. Your absence or tardiness causes your co-workers to carry an extra work load. Being late or absent may not always be avoidable. When this happens, properly notify your supervisor prior to the start of the workday. Your supervisor may set the requirements as to how far in advance you must notify him/her of being late or absent from work.

Proper notification requires that you personally speak with your direct supervisor. Unless otherwise directed, you must contact your supervisor at the beginning of each workday you are away from work. Telling a co-worker that you will not be in or that you will be late will NOT qualify as proper notification. An employee's attendance and tardiness record is evaluated by considering the frequency and duration of absences, reasons for absences, attendance and tardiness history, patterns of absenteeism and length of FSI service.

### General Understanding for Absence

1. The Attendance Policy is designed to focus on the frequency of absences rather than duration. However, duration (or total time missed) should be monitored for abuse. Excessive (Medical or Personal) may be addressed through the progressive counseling process.
2. An unreported absence of two (2) consecutive days remains grounds for immediate termination.
3. If three (3) or more consecutive workdays are taken for reasons of illness or injury, a doctor's verification of treatment and work release is required upon return to work.
4. If more than three (3) consecutive workdays or more are taken for reasons of illness or injury, a request must be made for an authorized leave subject to regular sick leave procedures. Days off for the same reason immediately prior to authorized leaves shall be counted as part of the leave.

\*Each employee is responsible for knowing the Plant Attendance Policy. If you have a question about the application of any rule or warning you have received, you should discuss it with your supervisor.

## **PERSONNEL DATA CHANGES**

It is the responsibility of each employee to promptly notify FSI of any changes in personnel data. Personal mailing addresses, telephone numbers, number 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 the Human Resources Manager or your Supervisor.

## **PERFORMANCE EVALUATION**

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Additional formal performance evaluations are conducted to provide both Supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. The performance of all employees is generally evaluated according to an ongoing 12-month cycle. Evaluations may periodically include self-evaluations.

FSI, in its sole discretion, may award merit-based raises in an effort to recognize truly superior employee performance. The decision to award such an adjustment is dependent upon numerous factors, including the information documented by the formal performance evaluation process.

## **ACCESS TO PERSONNEL FILES**

FSI maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records. Personnel files are the property of FSI, and access to the information they contain is restricted. Generally, only Supervisors and management personnel of FSI who have a legitimate reason to review information in a file are allowed to do so.

Employees who wish to review their own file should contact HR. With reasonable advance notice, employees may review their own personnel files in FSI's offices and in the presence of an individual appointed by FSI to maintain the files.

## **WAGES AND HOURS POLICIES**

### **Hours of Operation**

Monday – Friday, 6:30 AM – 4:30 PM Central Standard Time

Most company employees work these hours; however, since some work duties call for other work schedules, some employees may be required to work other hours.

Employee get a one-hour lunch break.

### **Recording Your Time**

Non-exempt employees must record their hours on a time clock. Record your time at the beginning and end of your shift and for your meal break. Do not perform any work more than five minutes before the beginning or after the end of your shift. You are expected to work until the end of your shift. Do not record the time of another employee under any circumstances.

Exempt employees may be required to accurately record their time worked in accordance with federal and state wage and hour law.

All employee subject to this policy are required to accurately record all time worked.

The workweek starts on Monday and ends on Sunday.

### **Payroll Periods**

Payroll checks are direct deposited bi-weekly (every other week) on Thursdays.

### **Paycheck Deductions**

The company is required by law to make certain deductions from your paycheck each pay periods. Such deductions typically include federal and state taxes and Social Security (FICA) taxes. Depending on the state in which you are employed and the benefits you choose, there may be additional deductions. All deductions and the amount of the deductions are listed on your pay stub. These deductions are totaled each year for you on your Form W-2, Wage and Tax Statement.

It is the policy of the company that exempt employees' pay will not be "docked" or subject to deductions in violation of salary pay rules issued by the U. S. Department of Labor and any corresponding rules issued by the state government, as applicable. However, the company may make deductions from employees' salaries in a way that is permitted under federal and state wage and hour rules. Employees will be reimbursed in full for any isolated, inadvertent, or improper deductions, as defined by law.

Thus, exempt employees may be subject to the following salary deductions, except where prohibited by state law, but only for the following reasons:

Absences of one or more full days for personal reasons, other than sickness or disability; or

Absences of one or more full days due to sickness or disability, if there is a plan, policy, or practice providing replacement compensation for such absences; or

Absences of one or more full days before eligibility under such a plan, policy, or practice or after replacement compensation for such absences has been exhausted; or

Suspensions of one or more full days for violations of safety rules of major significance; or

Suspensions of one or more full days for violations of written workplace conduct rules, such as rules against harassment and workplace violence; or

Payment of actual time worked in the first and last weeks of employment, resulting in a proportional rate of an employee's full salary; or

Any unpaid leave taken under the Family and Medical Leave Act; or

Negative paid-time-off balances, in whole-day increments only.



The company will not make deductions which are prohibited by the Fair Labor Standards Act or state laws from its exempt employee's pay.

If questions or concerns about any pay deductions arise, discuss and resolve them with the VP of Finance. If an error is found, you will receive an immediate adjustment which will be paid no later than on the next regular payday.

Exempt employees who believe their pay has been improperly reduced should contact their supervisor or the Office Manager immediately to request an investigation. The employee will be asked to specify in writing, using the guidance above, the circumstances of the pay deduction and whether it has occurred on other occasions. FSI will review pay records and interview the supervisor or manager, as well as the payroll representatives handling the employee's pay, to determine if the allegation is correct. If the deduction was in fact improper, FSI will reimburse the employee as promptly as possible (but in no case longer than two pay periods from the identification of the problem). The resolution of the situation will be documented (including confirmation on the part of the employee that the situation has been resolved) and placed with the employee's pay records. Following the identification of such a problem, FSI will establish a practice to regularly audit employee pay records to ensure no further issues arise.

### **Garnishment/Child Support**

When an employee's wages are garnished by a court order, our company is legally bound to withhold the amount indicated in the garnishment order from the employee's paycheck. Our company will, however, honor applicable federal and state guidelines that protect a certain amount of an employee's income from being subject to garnishment.

### **Time Away From Work**

Unless otherwise specified, a full-time employee is eligible only after 60 days of full-time employment (probation period). A full-time employee is one who works at least thirty (30) hours a week.

Our company has developed a comprehensive set of employee benefit programs to supplement our employee's regular wages. Our benefits represent a hidden value of additional income to our employees.

The company reserves the right to modify and /or terminate its benefits at any time. We will keep you informed of any changes.

### **REIMBURSEABLE EXPENSES**

FSI will provide full-time plant and technical service employees with uniforms.

### **APPEARANCE**

Dress, grooming and personal cleanliness standards contribute to the morale of all employees and affect the business image FSI presents to customers and visitors. Furthermore, proper grooming and attire have a positive impact on the Company's image.

During business hours or when representing FSI, you are expected to present a clean, neat, and tasteful appearance. The company's dress code may be described as business casual. You should dress and groom yourself according to the requirements of your position. This is particularly true if your job involves dealing with customers and visitors in person. FSI's primary objective is to have employees project a professional image while taking advantage of more casual and relaxed clothing. On the other hand, not all casual clothing is appropriate for the office. An item that may be perfect for working in the yard, going on a picnic or playing sports isn't appropriate for the office, nor is clothing that is too revealing. Regardless of the item, it is essential to avoid wearing anything to the office that is excessively worn, frayed or wrinkled.

There are times when traditional business attire is to be worn on casual days. Take your day's schedule into account when you are dressing. If you have a meeting scheduled with visitors, or if you are advised that others in the Company will have visitors with whom you will come in contact, you will want to dress in business attire. And, of course, business attire is always acceptable if that is your preference.

A good rule of thumb is that if you are not sure if something is acceptable, choose something else or inquire first.

If your Supervisor feels your personal appearance is inappropriate, you may be asked to leave the workplace until you are properly dressed or groomed. Under such circumstance, you will not be compensated for the time away from work. Consult your Supervisor if you have questions as to what constitutes appropriate appearance. When necessary, reasonable accommodation will be made to a person with a disability.

If an item of clothing is deemed to be inappropriate for the office by the employee's supervisor and/or the Manager of Human Resources, the employee may be sent home to change clothes and will be given a verbal warning for the first offense, and progressive disciplinary action will be taken for further dress code violations.

Any questions regarding the dress code policy should be directed to your direct Supervisor. In the event there are specific uniform policies in place, compliance by all affected employees is mandatory.

FSI will provide full-time plant and technical service, and sales employees an allowance of \$100.00 per calendar year for prescription safety glasses.

FSI will provide full-time plant and technical service employees an allowance of \$60.00 per calendar year for work boots.

## **DRUG AND ALCOHOL POLICY**

FSI recognizes that the use of narcotics and other dangerous substances, legally or illegally, may compromise the health and safety of employees, visitors and the customers who buy our products and services. Likewise, the threat of substance abuse (drug and/or alcohol) may pose an adverse impact on the profitability of FSI. Further, alert and rational behavior is required for the safe and adequate performance of job duties.

FSI has a drug and alcohol policy that employees are required to sign as a condition of employment. This policy is designed to develop and maintain a safe and productive workplace.

Anyone operating a company vehicle under the influence of alcohol or any controlled substance is subject to disciplinary action including immediate dismissal. A controlled substance shall be defined as: Any substance

that an individual may not sell, possess, use or distribute under the laws of the federal government, as referenced in 49 C.F.R. 340.26(a); or Prescription drugs obtained without an authorized prescription from the employee's physician; prescribed drugs and over-the-counter drugs not being used for their intended purpose. However this is a non-exclusive list and FSI reserves the right to add to this list at any time.

Anyone reporting for work under the influence of alcohol or any controlled substance is subject to discipline action including immediate dismissal.

Pre-Employment Testing. The Substance Abuse Testing Program begins with the application process. Job offers are conditioned upon the candidate submitting to a drug test, which tests negative. If the job candidate tests positive, the offer of employment will be withdrawn and the applicant will be so notified by the appropriate company official. If the test indicates the presence of a prescription drug or over-the counter drug that the applicant has not identified on the disclosure form provided to the testing official, the offer of employment may be withdrawn.

If an employee is injured on the job, that person will immediately be taken to an emergency room facility and will be subject to treatment/ diagnosis and a blood test. If it is determined that the employee's blood test is positive (for detection of alcohol or non-prescribed controlled substance), he or she may forfeit any compensation otherwise due (i.e. Workman's Compensation).

Drug and alcohol testing may be performed on a random basis. All drug and alcohol testing shall be performed at FSI's expense by an independent drug and alcohol laboratory testing facility certified by the Department of Health and Human Services (DHHS) or the National Institute for Drug Abuse (NIDA). All testing shall be performed away from the workplace to maximize the employee's privacy and confidentiality and to assure proper security and custody of all samples obtained. Employees will be required to sign consent forms and authorize the release of test results to FSI. Refusal to execute the proper forms shall be cause for immediate termination. For purposes of this Policy, all levels equal to or exceeding the following shall be reported as positive:

| <u>Drug</u>   | <u>Screen</u>    | <u>CG/MS</u> |
|---------------|------------------|--------------|
| Amphetamines  | 1,000 ng/ml      | 500 ng/ml    |
| Cannabinoids  | 100 ng/ml        | 15 ng/ml     |
| Cocaine       | 300 ng/ml        | 150 ng/ml    |
| Opiates       | 300 ng/ml        | 300 ng/ml    |
| Phencyclidine | 25 ng/ml         | 25 ng/ml     |
| Alcohol       | .02 blood volume |              |

In addition to FSI's prohibition of using a controlled substance, FSI also explicitly forbids employees to possess, manufacture, distribute, or sell controlled substances, as defined above. FSI also explicitly prohibits tampering with drug tests, failing to report unauthorized use, and/or failing to comply with any request for information or a workplace search.

## **SMOKING IN THE WORKPLACE**

Our company is committed to providing a safe and healthy environment for employees and visitors. Smoking, including the use of e-cigarettes, vapors, and other smoking products, is not permitted anywhere on the FSI campus.

## **SOLICITATION, DISTRIBUTION, AND SALES**

In order to prevent disruption in the operation of FSI, interference with work, or inconvenience to other employees, the following rules apply to the solicitation, distribution, or sale of goods or services of any kind on FSI property.

- Solicitation, distribution, sale, or the posting of non- FSI materials, goods, or services by non-employees on FSI property is prohibited for any purpose, anywhere, and at any time.
- Solicitation by employees on FSI property during working time is prohibited. Working time includes the working time of the employee doing the soliciting and the employee being solicited. An employee who is not on working time should not solicit an employee who is on working time.
- Distribution of non-FSI literature by employees on FSI property in working areas is prohibited at any time.
- Distribution of non-FSI literature by employees on FSI property in non-working areas during working time is prohibited. Working time includes the working time of the employee doing the distributing and the employee receiving the distribution. An employee who is not on working time should not distribute literature to an employee who is on working time.
- Off duty employees should not enter (except for legitimate business reasons) any FSI facility not open to the general public and are prohibited from interfering or causing a disturbance with an on duty employee's performance of his/her work duties.

Working time is defined as paid work time which includes paid work breaks, but does not include lunch periods or other similar periods in which employees are at work, but not on duty.

## **BULLETIN BOARDS**

Bulletin boards maintained by FSI are to be used only for posting or distributing material of the following nature:

- Notices containing matters directly concerning FSI business; or
- Announcements of a business nature which are equally applicable and of interest to employees.

All posted material must have authorization from the Office Manager. All employees are expected to check these bulletin boards periodically for new and/or updated information and to follow the rules set forth in all posted notices. Employees are not to remove material from the bulletin boards.

## EMPLOYEE CONDUCT AND WORK RULES

Each employee has an obligation to observe and follow the company's policies and to maintain proper standards of conduct at all times. If an individual's behavior interferes with the orderly and efficient operation of a department, corrective disciplinary measures will be taken.

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 constitute **misconduct** and will result in disciplinary action, up to and including termination of employment and disqualification of unemployment benefits:

1. Violation of EEO policies prohibiting discrimination, harassment, and retaliation;
2. Theft or unauthorized possession of, or the use of, property belonging to any co-worker, or visitor;
3. Violation of the Company's Alcohol and Drug policy; or 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;
4. Breach of confidentiality or conflict of interest obligations;
5. Violating Proprietary Information policy;
6. Unauthorized possession of or removal or use of Company property, equipment, documents, information, or materials;
7. Falsification or tampering of any Company record or report, including, but not limited to, an application for employment and timesheets;
8. Knowing false representations about business and work related activities;
9. Submission of false or erroneous insurance claims;
10. Pattern of unsatisfactory work performance;
11. Carelessness or inefficiency resulting in loss to the Company;
12. Assault on or threat of violence directed to a fellow employee or customer; threatening or intimidating management, supervisors or fellow workers;
13. Inconsiderate treatment of customers, co-workers or other members of the public;
14. Continued or excessive lateness or absences;
15. Failure to return from an approved leave of absence on the stipulated dates or taking an unauthorized leave of absence;
16. Pattern of improper attire or inappropriate personal appearance;
17. Possession of firearms, explosives or other weapons on company or customer premises;
18. Actions of insubordination;
19. Conviction or plea *nolo contendere* of a felony and/or being a registered sex offender;
20. Engaging in conduct that is in violation of any existing laws, ordinances or regulations;
21. Intentional disregard of FSI's legitimate business interests;

22. Making false, disparaging statements concerning, or making fraudulent use of FSI, its name, its products, and/or its services;
23. Violation of any safety standards;
24. Failure to call or directly contact your supervisor each day you will be late or absent from work and the reasons therefore;
25. Leaving the work premises without authorization during work hours;
26. Unauthorized posting or removal of notices from bulletin boards;
27. Alteration of, destruction of, or failure to use timesheet, or having another employee write out or fill in timesheet;
28. The use of profanity or abusive language;
29. Sleeping, loafing, reading or excessive talking or loitering during work time;
30. Horseplay, pranks or highly inappropriate practical jokes;
31. Unauthorized use of FSI's telephones, mail system, or other employer-owned equipment or vehicles;
32. Inducement of another employee to break any standard of conduct; or
33. Any other act that FSI in its sole discretion, considers detrimental to the legitimate business interests of the Company.

This list is intended to be representative of the types of activities that may result in disciplinary action. It is not exhaustive and is not intended to be comprehensive and does not change the employment-at-will relationship between the employee and the Company.

## **DISCIPLINARY PROCEDURES**

All employees are expected to meet FSI's standards of work performance. Work performance encompasses many factors, including attendance, punctuality, personal conduct, job proficiency and general compliance with FSI's policies and procedures. If an employee does not meet these standards, FSI may, under appropriate circumstances, take corrective action, other than immediate dismissal.

The intent of corrective action is to formally document problems while providing the employee with a reasonable time within which to improve performance. The process is designed to encourage development by providing employees with guidance in areas that need improvement such as poor work performance, attendance problems, personal conduct, general compliance with FSI's policies and procedures and/or other disciplinary problems.

The following steps may be followed with any violation of FSI policy, including, but not limited to, the policies and rules outlined in this manual. Every disciplinary matter is reviewed on a case-by-case basis and, consequently, FSI reserves the right to depart from this process and apply whatever discipline it deems appropriate under the circumstances of the particular case. This policy does not modify an employee's at-will status.

- First Offense – Verbal Warning (Documented).

The first offense may result in a verbal, documented warning to be placed in the employee's personnel file.

- **Second Offense** – Written Warning.

The second offense may result in a written warning to be placed in the employee's personnel file and may include a suspension without pay.

- **Third Offense** – Suspension/Discharge.

The third offense may result in immediate suspension or discharge.

## **EMPLOYMENT TERMINATION**

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.
- Retirement - voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization.

FSI will generally schedule exit interviews at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to FSI, or return of FSI-owned property. Suggestions, complaints, and questions can also be voiced. Since employment with FSI is based on mutual consent, both the employee and FSI 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.

## **REIMBURSEMENT TO FSI FOR EARLY TERMINATION**

### **New Hires**

In the event that a person accepts employment with Foam Supplies, Inc. and then quits within 30 days of the hire date, the employee agrees that the cost of the physical exam, uniforms, and boots are valid debts and the obligation of the employee and will be deducted from his or her net pay as long as it is not less than minimum wage for the hours worked.

### **Existing Employees**

In the event that FSI provides an allowance for the purchase of safety glasses and/or work boots and the employee leaves the employ within 30 days thereafter, the employee agrees that the cost of these allowances is a valid debt and obligation of the employee and will be deducted from his or her net pay.

### **Misc. reimbursable expenses**

Any items you are unclear whether they can be reimbursed or not, please see your supervisor regarding approval and reimbursement decisions/procedures.

## **RESIGNATION**

When an employee decides to leave for any reason, their immediate supervisor would like the opportunity to discuss the resignation before final action is taken. FSI often finds during this conversation that another alternative may be better. If, however, after full consideration, the employee decides to leave, it is requested that the employee provide FSI with a written 30 day advance notice period (bear in mind that vacation days or personal days may not be included in the 30 day notice period). *FSI will only compensate employees for unused vacation when the employee works throughout the notice period, and is not terminated for misconduct or cause; otherwise, unused paid time off will be forfeited.* If, as sometimes happens, the employee's supervisor wishes for the employee to leave prior to the end of the employee's 30 day notice, the employee's employment may be terminated immediately. If an employee does not provide advance notice as requested, the employee will be considered ineligible for rehire.

## **RETURN OF PROPERTY**

Employees are responsible for items issued to them by FSI or in their possession or control, such as the following:

- Client lists
- Credit cards
- Equipment
- Keys
- Manuals
- Pagers
- Tools
- Vehicles
- Written materials
- Computers and software

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

## **EMPLOYMENT REFERENCE CHECKS**

Any employee who receives a reference request must direct the request to HR. Pursuant to Company policy, HR will only provide the following information about an employee or former employee: 1) start date; 2) termination date; 3) last position held; and 4) eligibility for rehire.



## **SUGGESTION PROGRAM**

As employees of FSI, you have the opportunity to contribute to our future success and growth by submitting suggestions for practical work-improvement or cost-savings ideas.

All employees are eligible to participate in the suggestion program.

A suggestion is an idea that will benefit FSI by solving a problem, reducing costs, improving operations or procedures, enhancing customer service, eliminating waste or spoilage, or making FSI a better or safer place to work. Statements of problems without accompanying solutions or recommendations concerning co-workers and management are not appropriate suggestions.

All suggestions should contain a description of the problem or condition to be improved, a detailed explanation of the solution or improvement, and the reasons why it should be implemented. If you have questions or need advice about your idea, contact your Supervisor for help. Special recognition will be given to employees who submit a suggestion that is implemented.

**RECEIPT AND ACKNOWLEDGMENT  
OF FOAM SUPPLIES, INC.'S  
EMPLOYEE HANDBOOK**

This is to acknowledge that I have received, read and retained a copy of Foam Supplies, Inc.'s Employee Handbook on the date shown below. I understand that revised information may supersede, modify, or eliminate existing policies.

I understand that the policies, rules, and benefits described in this Handbook are subject to change at the Company's sole discretion, and that should the content be changed in any way, the Company may require an additional signature from me to indicate that I am aware of and understand any new policies.

I UNDERSTAND THAT MY EMPLOYMENT IS TERMINABLE AT WILL, WHICH MEANS THAT EITHER FSI OR I MAY TERMINATE THE RELATIONSHIP WITH OR WITHOUT CAUSE, AT ANY TIME.

I UNDERSTAND THAT NO CONTRACT OF EMPLOYMENT OTHER THAN "AT WILL" HAS BEEN EXPRESSED OR IMPLIED, AND THAT NO CIRCUMSTANCES ARISING OUT OF MY EMPLOYMENT WILL ALTER MY "AT WILL" EMPLOYMENT RELATIONSHIP UNLESS SET FORTH IN WRITING, SIGNED BY MYSELF AND THE PRESIDENT OF THE COMPANY.

I am aware that during the course of my employment, confidential information may be made available to me regarding FSI. I agree not to disclose this information during my employment or thereafter to a competitor, the media, or to any other person or corporation. I further agree that I will abide by the terms of the Confidentiality Agreement, contained within this Employee handbook, both during and after my employment.

Furthermore, I acknowledge that this Handbook is neither a contract of employment nor a legal document.

By signing below, I acknowledge complete understanding of the above points, and that I have received, read, and fully understand the Foam Supplies, Inc. Employee Handbook.

\_\_\_\_\_

|                         |      |
|-------------------------|------|
| Employee's Printed Name | Date |
|-------------------------|------|

\_\_\_\_\_  
Employee's Signature

The signed original of this acknowledgement is to be given to your Supervisor to be placed in your personnel file. An unsigned duplicate of this acknowledgement is to be left in this handbook.

## CONFIDENTIALITY AGREEMENT

I, \_\_\_\_\_, hereby agree to the terms of this Confidentiality Agreement as a condition of my employment (or continued) employment with Foam Supplies, Inc. Company. I understand that my employment with Foam Supplies, Inc. is “at-will” and is not for any fixed term or period of time. I further understand and acknowledge that during my employment, Foam Supplies, Inc. will, from time to time, provide or allow me access to confidential or proprietary information of Foam Supplies, Inc. and that such information is not generally known within Foam Supplies, Inc.’s industry or by the general public. Therefore, as a condition of my employment (or continued employment) with Foam Supplies, Inc. and my agreement to receive Foam Supplies, Inc.’s confidential and proprietary information, I agree as follows:

1. By virtue of my employment with Foam Supplies, Inc. and this Confidentiality Agreement, I acknowledge that I will develop and/or acquire Confidential Information of Foam Supplies, Inc. (as described below) pursuant to a fiduciary relationship of trust and confidence. I further acknowledge that Foam Supplies, Inc.’s Confidential Information constitutes valuable and proprietary property of Foam Supplies, Inc. to which it has a legally protectable interest, which is important to Foam Supplies, Inc.’s continued success, and which would cause irreparable harm and injury to Foam Supplies, Inc. if it were used for the benefit of another or disclosed to a third party. Foam Supplies, Inc.’s “Confidential Information” includes: (i) the names, addresses, phone numbers, and any and all other protected information regarding Foam Supplies, Inc.’s employees, its actual and potential customers or clients, and key contacts at such customers or clients; (ii) Foam Supplies, Inc.’s trade secrets, including its business, sales and financial data, business statements, programs, pricing techniques, and strategies, market information, financial and marketing plans, strategies, and projections; and (iii) computer programs, including software developed and/or licensed by Foam Supplies, Inc.

I acknowledge and agree that Foam Supplies, Inc.’s Confidential Information is deemed proprietary, unique, and commercially sensitive in nature, and that it has been maintained in substantial secrecy by Foam Supplies, Inc. I further acknowledge that I could not have readily ascertained or acquired this Confidential Information through proper means absent disclosure to me by Foam Supplies, Inc. As a result, this Confidential Information constitutes proprietary and confidential information and trade secrets of Foam Supplies Inc..

I will not, directly or indirectly (other than in connection with my required duties for Foam Supplies, Inc., use, publicize, disclose, or divulge to anyone else, any Confidential Information of Foam Supplies, Inc. Upon termination of my employment with Foam Supplies, Inc. for whatever reason, and at any time or times before then when requested by Foam Supplies, Inc., I will return to Foam Supplies, Inc. all documents (including all copies in whatever format maintained or preserved) and/or property of Foam Supplies, Inc. any document containing or embodying any Confidential Information of Foam Supplies, Inc.

To the extent this covenant is determined to be invalid or unenforceable in any respect or to any extent, it shall not be rendered void, but instead shall be automatically amended to such lesser term or extent, or in such other degree, as may grant Foam Supplies, Inc. the maximum protection and restrictions permitted by applicable law.

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Employee Signature

Date

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Print Name

The signed original of this acknowledgement is to be given to your Supervisor to be placed in your personnel file. An unsigned duplicate of this acknowledgement is to be left in this handbook.

**ACKNOWLEDGMENT OF AT-WILL EMPLOYMENT**

EMPLOYEE NAME: \_\_\_\_\_

This is to acknowledge that I understand and agree that my employment relationship with Foam Supplies, Inc. is “at will” and not for any specified period of time.

I understand that this at-will employment relationship means that either Foam Supplies, Inc. or I may terminate my employment at any time, with or without cause, and with or without advance notice.

I also understand that this at-will employment relationship means that Foam Supplies, Inc. retains the sole and exclusive right at any time, with or without cause, and with our without advance notice, to transfer, demote, promote, discipline, or reassign me and to modify or eliminate all terms and conditions of my employment including, without limitation, any position I might have, my duties and responsibilities, my compensation, and all benefit plans and programs.

I understand that in the absence of a contract signed by both me and the President of Foam Supplies, Inc. which expressly provides that I will be employed for a specified period of time, no policy, statement, conduct, or action on the part of Foam Supplies, Inc. or any Foam Supplies, Inc. personnel may alter or waive the “at-will” nature of my employment relationship.

Finally, I agree that this Acknowledgment of At-Will Employment contains a full and complete statement of the agreements and understandings that it recites and I agree that this Acknowledgement supersedes all previous statements, whether written or oral, expressed or implied, relating to the subjects covered in this Acknowledgment.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee’s Printed Name

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Employee's Signature

---

Witness Printed Name

---

Witness's Signature

The signed original of this acknowledgement is to be given to your Supervisor to be placed in your personnel file. An unsigned duplicate of this acknowledgement is to be left in this handbook.

**ACKNOWLEDGEMENT OF RECEIPT, CAREFUL REVIEW, AND COMMITMENT  
TO COMPLY WITH FOAM SUPPLIES, INC.'S' POLICIES AGAINST  
DISCRIMINATION AND HARASSMENT**

EMPLOYEE NAME: \_\_\_\_\_

I acknowledge that I have received a copy of Foam Supplies, Inc.'s policies against discrimination and harassment, that I have carefully reviewed these policies, and that I understand them. I understand that I am responsible for knowing and following these policies. I agree that if I ever have any questions regarding these policies or any of Foam Supplies, Inc.'s policies, I will immediately raise my questions with my supervisor or the Human Resources Department.

I understand that Foam Supplies, Inc. provides equal employment opportunity for all applicants and employees and that Foam Supplies, Inc. absolutely forbids any type of discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth or related medical conditions), national origin, ancestry, age, physical disability, mental disability, medical condition, family care status, veteran status, marital status, sexual orientation, or any other characteristic protected by law. I agree that I will not engage in any type of discrimination.

I understand that Foam Supplies, Inc. absolutely forbids any type of harassment on the basis of race, color, religion, sex (including pregnancy, childbirth or related medical conditions), national origin, ancestry, age, physical disability, mental disability, medical condition, family care status, veteran status, marital status, sexual orientation, or any other characteristic protected by law. Harassment includes verbal, visual, and physical conduct that creates an intimidating, offensive, or hostile working environment or that interferes with work performance.

I understand that harassing conduct can take many forms and includes, but is not limited to, slurs, jokes, derogatory statements, gestures, pictures, or cartoons regarding race, color, religion, sex (including pregnancy, childbirth or related medical conditions), national origin, ancestry, age, physical disability, mental disability, medical condition, family care status, veteran status, marital status, sexual orientation, or any other characteristic protected by law. I agree that I will not engage in any type of harassment.

I understand that if I violate Foam Supplies, Inc.'s policies against discrimination or harassment, Foam Supplies, Inc. will take disciplinary action, up to and including discharge, against me.

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Date

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Employee's Printed Name

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Employee's Signature

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Witness Printed Name

---

Witness's Signature

The signed original of this acknowledgement is to be given to your Supervisor to be placed in your personnel file. An unsigned duplicate of this acknowledgement is to be left in this handbook.



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