



TRANSMISSION & FLUID EQUIPMENT, INC.

EMPLOYEE HANDBOOK

TRANSMISSION & FLUID EQUIPMENT, WC.

Fort Wayne (East)

Fort Wayne (West)

6912 Trafalgar Dr. • Fort Wayne, IN 46803

7001 Ardmore Ave. • Fort Wayne, IN

46809

Fort Wayne (West)

Indianapolis

3711 Limestone * Fort Wayne, IN 46809

2804 N. Catherwood Ave. •

Indianapolis, IN 46219

CORPORATE FACT SHEET

January 2018

FOUNDED IN 1964 Family owned and operated
73 experienced employees

(47% +5 years; average 7.5 years)

- 4 Locations
- Fort Wayne East
- Fort Wayne West
- Fort Wayne West
- Indianapolis

Open M-F 6:00am-10pm, Sat. 8:00 am-12:00 pm (24-hour emergency access)

SALES

2016 Sales approx. \$25-30 million

Sales consist of approx. 55% Fluid Power and 45% Power Transmission products

Sold over 870 miles (1,400 km) of hose and tubing in 2016

- Area of Distribution — Shipping globally to and for customers
- Customer Base — 50% OEM, 50% End User

SERVICES

Manufacture over 17,000 hoses per week

Combination of 21 Crimpers/Swagers ranging up to 10" Diameter capability

Provide Kanban/JIT delivery of products

Bar Coding available for customers

- High-quality suppliers
- Metal working machine shop with full-time machinists
- Manufacture Push-Pull Cables
- Kitting

RECOGNITION
1966)

- Largest Independent Gates Rubber Company Distributor in Indiana (since 1966)
- Largest Eaton Synflex Thermoplastic Hose Distributor in the country (Top 24)
- Dodge/Baldor "Market Maker" (only Market Maker in Indiana)
- Rexnord Trailbazer for Indiana (only 30 in USA)

- IDC-USA previous "Top Dog" Purchaser Award & multiple monthly "Big Dog" recipient ■ Mitsubishi Caterpillar Forklift America - Class I Supplier

-
- AFFILIATIONS
- Member of NAHAD "National Association for Hose and Accessories Distribution" ■ Member of PTDA "Power Transmission Distributors Association"
 - Member of IMAA "Indiana Mineral Aggregates Association"
 - Owner in IDCO "Industrial Distributor Co-op" comprised of Distributor Members who are engaged in the distribution of hose and coupling products with 181 locations
 - Owner in IDC-USA "Independent Distributors Co-op" with 280 locations coast to coast
 - ISO 9001:2008 certified

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WELCOME

Welcome to Transmission & Fluid Equipment, Inc. We are glad to have you on our Team. At TFE, we believe that our employees are our most valuable asset. In fact, we attribute our success as a company in significant part to our ability to recruit, hire, and maintain a happy and productive workforce. We hope that during the time of your employment with TFE, you will become a productive and successful member of the TFE Team.

This Employee Handbook describes, in summary form, the personnel policies that govern the employment relationship between TFE and its employees. The policies stated in this Handbook are subject to change at any time at the sole discretion of TFE. This Handbook supersedes any prior handbooks or written policies of TFE that are inconsistent with its provisions. You may receive updated information concerning changes in policies from time to time, and those updates should be kept with your copy of the Handbook. If you have any questions about any of the provisions in the Handbook, please ask your supervisor or the Human Resources Department.

This Handbook does not create a contract of employment between TFE and its employees. Although we hope that your employment relationship with TFE will be long term, either you or TFE may terminate this relationship at any time, for any reason, with or without cause or notice, and must otherwise prescribe by applicable laws. Our relationship remains at-will, notwithstanding any provision in this Handbook to the contrary. No supervisor, manager, or representative of TFE, other than the President, has the authority to enter into any agreement with you regarding the terms of your employment that changes our at-will relationship or deviates from the provisions in this Handbook.

Sincerely,

Chris Hughes, President
Transmission & Fluid Equipment, Inc.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

TFE is committed to non-discrimination in the consideration of employment and the employment terms and conditions of all TFE applicants and employees. No applicant or employee will be discriminated against or treated unfavorably because of race, color, religion, national origin, sex, age, physical or mental disability, genetic information, sexual orientation and/or gender identity, or other legally protected status. All TFE policies and procedures will be regularly reviewed to ensure their full adherence to our equal employment opportunity objectives.

Any person who is aware of any potential violation of this policy should report such concerns to the Human Resource Manager or TFE President as soon as possible. TFE will thoroughly investigate and promptly resolve all such complaints in strict compliance with all applicable laws. Any employee violating this policy or retaliating in any way against complainants under the policy will be subject to discipline, up to and including termination of employment.

PAYDAY

TFE pays its employees every other Wednesday. Each paycheck represents wages earned by the employee during the two-week period ending on the previous Sunday. Checks will be direct deposited to the financial institution of the employee's choice before the close of business each payday. If you find an error in your paycheck, your supervisor should be notified immediately so that a prompt correction can be made.

Any employee who is paid a salary and treated as exempt from overtime regulations likewise should review each check to make sure that there are no deductions, which the employee believes to be inappropriate. If there are any inappropriate deductions, the matter should immediately be brought to the attention of Payroll and TFE will correct any such deduction. This includes any deduction that is not permitted by law to maintain the employee on exempt status.

ORIENTATION

New employees will be considered probationary for a minimum of the first three calendar months. The probationary period is simply for evaluation and is not meant in any way to alter the “at-will” arrangement of employment.

Employees will be taught the method of performing their jobs to meet specific requirements for safety, quality, and production. No seniority rights are recognized during the probationary period of TFE service.

During the probationary period, employees’ performances will be evaluated and the employees will be counseled by their supervisors on these evaluations.

During this period of time, special attention will be paid to the probationary employees to talk about problems and to avoid misunderstandings.

Probationary employees may be terminated, at any time, prior to the completion of the full probationary period.

OVERTIME POLICY

Non-exempt employees will receive an overtime premium of 1 ½ the regular hourly rate of pay for hours worked over 40 in a workweek. Non-exempt employees must receive authorization from their supervisor before working overtime. Failure to do so will result in disciplinary action, up to and including termination of employment.

CODE OF CONDUCT

In the interest of maintaining guidelines, harmony and safety, a code of conduct has been adopted. Everyone is expected to observe the guidelines of common sense, honesty, good conduct and good taste in our everyday relations with each other at work. It will apply to everyone uniformly.

Examples of serious violations or repeated activity of the following may result in immediate discharge.

1. Exhibiting a bad or disruptive attitude toward another employee, customer, supervisor, vendor, or guest.
2. Sleeping while at work.
3. Leaving the plant any time for any reason without notifying your supervisor.
4. Stealing, misuse, or abuse of TFE, employee, vendor or customer property, including tools, records, blueprints, etc.
5. Performing personal work during working hours or entering the plant any time outside your normal schedule without prior approval of your supervisor.
6. Creating or contributing to an act against another employee, customer, supervisor, vendor, or guest of TFE that is unsavory, threatening, intimidating, coercive, assaulting, or discriminatory.
7. Consumption, under the influence of, or possession of alcoholic beverages or narcotics on TFE premises.
8. Not following safety and fire rules - not wearing prescribed protection and not using safety devices provided, including devices of protection placed on equipment by TFE.
9. Not reporting work-related injuries and illnesses the day they take place.
10. Clocking in or out for a co-worker.
11. Insubordination (failure to follow supervisor's instructions or to show proper respect for the position).
12. Committing an immoral act.
13. Solicitation during work time.
14. Falsification of employment application or information given at time of employment or the falsification of any other information provided to TFE.
15. Poor production, quality and/or quantity.
16. Unauthorized posting or removal of signs, notices, bulletins, etc.
17. Defacing of signs, notices, bulletins, etc. or any TFE or employee property.
18. Failure to maintain proper cleanliness or hygiene and/or failure to wear appropriate attire including wearing sweatshirt/jacket hoods up while on company property or driving company vehicles.
19. Disclosure or misuse of confidential information.

20. Exhibiting a negative appearance or engaging in illegal or questionable activities while wearing TFE logo apparel outside of work.

This list is not intended to be all-inclusive. Other inappropriate conduct will be dealt with on a case-by-case basis, which may result in discipline up to and including discharge.

Serious violations will subject an employee to immediate discipline including dismissal. However, no employee will be terminated on the spot. Employees who have committed serious violations will be suspended without pay for at least three days. During this period, all pertinent facts and circumstances will be investigated. In all cases, the employee will have the opportunity to present an explanation of his conduct. Only after the incident has been thoroughly reviewed will a decision be made.

Other violations will be grounds for progressive disciplinary actions.

In all cases, consideration will be given to the employee's previous record, extenuating circumstances and length of time between incidences requiring discipline.

An employee may be placed on probation for disciplinary reasons. During this period of time, all previously listed probationary rules apply.

ATTENDANCE POLICY

Objective

TFE's policy and procedures for managing employee absences and tardiness to promote efficient operation of the company and minimize unplanned absences.

Policy

Punctual and regular attendance is an essential function of each employee's job at TFE. Employees are expected to report to work as scheduled, on time and prepared to start working. Employees also are expected to remain at work for their entire work schedule, except for break periods or when required to leave on authorized company business. Late arrival, early departure or other absences from scheduled hours are disruptive and must be avoided.

Absence

"Absence" is defined as the failure of an employee to report for work when he or she is scheduled to work. The two types of absences are defined below:

- *Excused absence* occurs when all the following conditions are met:
 - The employee provides to his or her supervisor sufficient notice at least 48 hours in advance of the absence.
 - The absence request is approved in advance by the employee's supervisor.
- *Unplanned absence* occurs when any of the above conditions are not met. If it is necessary for an employee to be absent or late for work because of an illness or an emergency, the employee must notify his or her supervisor no later than the employee's scheduled starting time on that same day. If the employee is unable to call, he or she must have someone make the call.

An unplanned absence counts as one occurrence for the purposes of discipline under this policy. Employees must take earned PTO for every absence unless otherwise allowed by company policy (e.g., leave of absence, bereavement).

Tardiness and Early Departures

Employees are expected to report to work and return from scheduled breaks on time. If employees cannot report to work as scheduled, they must notify their supervisor no later than their regular starting time. This notification does not excuse the tardiness but simply notifies the supervisor that a schedule change may be necessary.

Employees who must leave work before the end of their scheduled shift must notify a supervisor immediately.

Tardiness and early departures are each one-half an occurrence for the purpose of discipline under this policy.

Disciplinary Action

Excessive absenteeism is defined as two or more occurrences of unplanned absence in a 30-day period and will result in disciplinary action. Eight occurrences of unplanned absence in a 12-month period are considered grounds for termination.

Job Abandonment

Any employee who fails to report to work for a period of three days or more without notifying his or her supervisor will be considered to have abandoned the job and voluntarily terminated the employment relationship.

**Any employee who fails to provide at least a two-week advance notice to their supervisor of their intent to resign their employment will result in the employee forfeiting any and all accrued but unused PTO. This forfeiture would include any employee whose employment is terminated by TFE, with or without cause.

PAID TIME OFF POLICY

January 1, 2018

Eligible employees shall earn paid time off on the first day of the fiscal year following the successful completion of the previous year of employment. Paid time off is not accrued during the actual work year. Paid time off is awarded to eligible employees based upon their length of employment as follows:

After six (6) months of employment, an eligible employee shall receive seven (7) days of paid time off.

An eligible employee who has been employed with TFE for more than six (6) months but less than one (1) year will be allowed to carry forward up to five (5) days of unused paid time off to the subsequent fiscal year. However, the eligible employee shall not have more than twelve (12) days of paid time off. Any paid time off in excess of twelve (12) days will be forfeited without pay.

An eligible employee who has been employed with TFE for one (1) year but less than five (5) years shall receive twelve (12) days of paid time off after each fiscal year. An eligible employee will be allowed to carry forward up to five (5) days of unused paid time off to the subsequent year. However, the eligible employee shall not have more than seventeen (17) days of paid time off. Any paid time off in excess of seventeen (17) days will be forfeited without pay.

An eligible employee who has been employed with TFE for five (5) years but less than ten (10) years shall receive fifteen (15) days of paid time off after each fiscal year. An eligible employee will be allowed to carry forward up to five (5) days of unused paid time off to the subsequent year. However, the eligible employee shall not have more than twenty (20) days of paid time off. Any paid time off in excess of twenty (20) days will be forfeited without pay.

An eligible employee who has been employed with TFE for ten (10) years but less than fifteen (15) years shall receive twenty (20) days of paid time off after each fiscal year. The eligible employee will be allowed to carry forward ten (10) days of unused paid time off to the subsequent year. However, the eligible employee shall not have more than thirty (30) days of paid time off. Any paid time off in excess of thirty (30) days will be forfeited without pay.

****Any employee who fails to provide at least a two-week advance notice to their supervisor of their intent to resign their employment with TFE will result in the employee forfeiting any and all accrued but unused PTO. This forfeiture would include any employee whose employment is terminated by TFE, with or without cause.**

CELL PHONE WHILE DRIVING POLICY

TFE is fully aware of the risks inherent in utilizing a cell phone or similar hand held electronic device while operating a motor vehicle. Distracted drivers pose a significantly greater risk on the road than do drivers who are concentrating solely on their driving. If you must use a cell phone or similar electronic device for business purposes while driving your car, TFE requires the following precautions be taken:

Drivers must not use handheld cell phones or similar electronic devices while a vehicle is in motion.

When it is necessary to utilize a phone while driving, you must utilize either blue tooth or another type of hands-free technology.

Employees must limit the use of cell phones while driving to no more than five minutes per call, except during emergencies.

No telephone numbers should be dialed while driving.

No text messages or email messages are to be sent or reviewed while driving.

If it is necessary to hold a longer conversation while driving, the employee should either pull over when and where it is safe to do so and continue the call or tell the caller that the driver will call back at a more convenient time.

Violations of this policy will subject the employee to discipline, up to and including termination of employment.

Anyone driving a vehicle for TFE business will comply with all federal and state regulations at all times.

USE OF MOTORCYCLES FOR BUSINESS RELATED TRAVEL

Employees are prohibited from using motorcycles, motorized scooters, bicycles or similar modes of transportation at any time for business related travel due to the inherent danger associated with traffic related collisions. Motorcycle crashes, even when not involving another vehicle, often result in catastrophic injuries or death to the operator.

Employees are not prohibited from traveling to and from (their home) and work (commuting) using such forms of transportation as noted above; provided they do not engage in any activity that would be construed as business related (e.g. picking up mail, making bank deposits, purchasing office supplies, etc.) during this travel.

All business related travel in motorized vehicles will be in a properly registered unit meeting applicable Federal and State Highway Safety standards and equipped with passenger seats for all occupants on board. It will be equipped with modern active and passive passenger restraint systems that will be used at all times by the occupants whenever the vehicle is in motion as required by state law.

GIFT ACCEPTANCE GUIDELINES

Description: Guideline for employees' acceptance of gifts or hospitality from current or potential suppliers, customers or other contractors.

General

Employees in certain positions have the ability to influence procurement and contractual decisions. Persons in these positions have a particular responsibility to avoid situations that will constitute a conflict of interest, or have the appearance of a conflict of interest. No such employee shall pursue their own interest at TFE's expense.

In order to promote appropriate standards of conduct, this guideline is designed to assist employees to recognize possible and/or perceived conflicts of interest that may arise with respect to the acceptance of gifts or hospitality from suppliers, customers or other contractors (collectively "Companies" or "Company") so that they can, in good faith, disclose, manage, and resolve such situations.

A conflict of interest can occur when a personal interest interferes with the independent judgment required by employees in order to perform their duties and responsibilities in the best interests of TFE. All employees have a duty of honesty and loyalty to TFE.

This guideline is intended to establish a minimum standard for all TFE employees. Certain departments may apply a higher standard in order to keep their employees free of any obligations and thereby avoid potential conflict of interest or commitment.

Principles

It is acceptable and complimentary to receive gifts for a job well done. However, TFE employees are not permitted to accept gifts or special favors that are offered with the intention to persuade business transactions. The only exceptions to this are minor gifts and token courtesies that do not place, or do not have the appearance of placing, the recipient under any obligation when making decisions on TFE's behalf. In no event should an employee accept a gift or hospitality on the understanding that their position will be used to influence a business decision. Employees shall disclose to their manager or departmental head the offer or receipt of any gifts or favors. If it truly is for a job well-done, your supervisor would like to say thank you as well. Your supervisor can also help you objectively determine whether the gift is inappropriate or a conflict of interest.

Guidelines

General

When an employee is offered any gift or hospitality, they shall discuss the offer with their manager or department head, no matter how small the gift is. The manager or department head will then decide whether the acceptance of the gift or hospitality places, or appears to place, the employee under any obligation. In making the determination, a variety of factors shall be considered, including but not limited to:

1. Whether the gift or hospitality is provided before or after the employee makes a decision concerning, or provides a service to, the party who is offering the gift.
2. The value of the gift or hospitality is greater than an accumulated total of \$100.00 (per calendar year) or \$30.00 per occurrence.
3. The frequency of the offers to or acceptance of token gifts or hospitality by the employee concerned.
4. Whether the offering or receipt of a gift or hospitality is a matter of cultural or diplomatic protocol.

Acceptable Gifts and Hospitality

1. The following guidelines describe the circumstances in which gifts or hospitality will normally be deemed to be acceptable.
2. An employee may accept gifts of small intrinsic value to a maximum value of \$100 per Company per year.
3. An employee may keep a gift/prize if it is offered to attendees at a conference, seminar or trade show.
4. An employee may accept plaques or similar recognition awards.
5. An employee may accept gifts of social entertainment when the host or the beneficiary or host of the event is TFE (e.g., Employee Appreciation Tin Caps Game, the TFE Annual Golf Invitational, etc.).

6. An employee may, with the approval of their manager, accept a gift of social entertainment (e.g., tickets to attend a cultural or sports event) from a Company when it does not obligate the employee. The acceptance of such gifts should normally be restricted to a maximum of one event per year per Company.
7. An employee may, with the approval of his/her manager, accept an invitation from a Company to attend an educational seminar where the event presents educational value to the employee. The frequency of such acceptances should be considered to avoid appearances of conflict of interest or commitment.
8. Attendance with Companies' representatives at luncheons, dinners or business organization meetings which have been discussed with and approved in advance by the employee's manager or department head and provided that employee uses caution with respect to the frequency of these associations.

Declining Gifts or Hospitality

1. If an employee is offered or receives a gift which falls outside of these guidelines, it should be declined or returned in a tactful manner.
2. If the nature or value of an offered gift or hospitality is such to raise concern as to the good faith of the party offering it, the employee shall advise their manager.

TFE COMMUNITY SERVICE POLICY

Beginning January 1, 2017, TFE has added a Volunteer Time Off Day (VTOD) to its list of employee benefits. Please allow the following to serve as the policy for using this additional one (1) day VTOD benefit.

Purpose/Goal:

The purpose of this TFE philanthropic program is to support activities that enhance and serve communities in which we live and work and the issues that impact quality of life.

The intention is to participate in giving back and supporting the community and to allow the employees of TFE to share in that effort. At the same time, TFE recognizes that participating in these sorts of activities enriches the lives of its employees. Community is not defined as just local community, but may encompass the global community.

Amount of Time:

In addition to any vacation days that the Employee may accrue, Employee can use an additional 8 hours (1 day) per calendar year to volunteer for a 501c3 charitable organization, in accordance with this policy. More than one organization may be chosen. The hours can be broken down into 2 half days or 1 full day and can be used for group volunteer activities, sponsored by the company or for personal volunteering by the employee.

The volunteer time, up to 8 hours per calendar year, will be considered paid time off as the employee will be paid for the time volunteered to the nonprofit organization. The pay rate will be the employee's current base salary or hourly rate on the day(s) the time is taken.

This time is refreshed at the beginning of each calendar year, unless the program is amended or discontinued, and does not accrue from year to year. Usage of this time or lack thereof does not affect vacation accrual or sick leave usage.

Eligibility:

All full time regular employees of TFE are eligible to participate in this program once they have been employed by TFE for one full year. Employees can choose an approved charity of their choice or work together with other employees of TFE on a team effort.

Ineligibility:

You are ineligible to participate in the Program, if:

1. The employee's employment with TFE terminates for any reason.
2. The Program is discontinued. TFE reserves the right to amend or terminate this program at any time without prior notice. TFE also reserves the right to revoke approval if it is felt that the employee is misusing the Program.

Approval Process:

Employees must fill out the VTOD Request Form and submit it to their manager at least one week before the requested time off. The manager should then get HR approval as well. Approval is at the discretion of the employee's manager and HR. The employee must provide proof of volunteer participation to their manager (signed note from the organization for which you are volunteering, photo of participation, etc.).

TFE sponsored VTOD may not be used for organizations that discriminate based on creed, race, religion or sexual orientation.

Examples of appropriate uses for VTOD:

- Building a house for Habitat for Humanity
- Donating your time at a food bank
- Cleaning up the river, lake, highway or park
- Coaching/mentoring disadvantaged youths
- Participating in Big Brother/Big Sister programs

Inappropriate examples:

- Taking a ski vacation and charitably giving ski lessons
- Coaching your child's basketball team
- Attending your child's PTA conference
- Attending a professional, personal development, or personal interest conference

ALCOHOL AND SUBSTANCE ABUSE POLICY

Purpose

Transmission & Fluid Equipment, Inc. is committed to providing a safe working environment and, likewise, expects its employees to report to their jobs physically and mentally fit for work. Furthermore, the Company is committed to assuring its continued representation as a quality business enterprise. To achieve these goals, Transmission & Fluid Equipment, Inc must take a firm and positive stand against drug and alcohol abuse. This policy is intended to ensure a drug-free work environment for the benefit of employees and customers of the Company.

With respect to existing employees, the policy's objective is to eliminate substance abuse, not the substance abuser. To this end, the Company is prepared to help and support all employees requesting assistance in dealing with drug or alcohol problems. No one will be disciplined for requesting assistance. The Company will assist the employee with a referral to an outside treatment or rehabilitation facility. The costs of treatment may be reimbursed in accordance with applicable benefit plans.

Policy Requirements

1. The use, possession, sale, or transfer of an illegal drug by any employee on Company premises, in the performance of Company business, or at Company-sponsored events, is strictly prohibited.
2. The use of any legally obtained drug by any employee while performing Company business or while on Company premises is prohibited to the extent that such use may adversely affect the safety of the employee or others, the employee's job performance, or the Company's regard or reputation in the community. Employees who have been informed or have discovered that the use of a legal drug may adversely affect job performance or behavior are to report such drug use and possible side effects to management.
3. The unauthorized use, possession, sale, or transfer of alcohol on Company premises is prohibited. The use of alcohol by employees while conducting Company business, attending Company-sponsored business or social functions, or otherwise representing the Company off Company premises is permitted only to the extent that it is not unlawful and does not adversely affect the safety of the employee or others, the employee's job performance, or the Company's regard or reputation in the community.

4. The presence of specified amounts of any illegal drug or alcohol, which produces a positive test result, in an employee's system while on Company premises or while otherwise performing Company business is prohibited.

Testing and Treatment

1. All prospective new employees will be tested for the use of illegal drugs and controlled substances. No offer of employment will be made to an applicant until they complete the necessary testing consent forms and passes the pre-employment drug test. Applicants who refuse to complete the necessary paperwork and test or who test positive on the drug screen will not be offered employment.
2. Any employee returning from a layoff or leave of absence of more than four weeks in duration or involved in an on-the-job accident or any other incident in which the employee or others were or could have been injured will be required to take a blood test, urinalysis, or other drug/alcohol test before returning to or resuming work for the Company. An employee must complete the necessary drug information and consent forms prior to the testing.
3. Whenever the Company suspects that an employee's work performance or on-the-job behavior may have been affected in any way by alcohol or drugs, or that an employee has otherwise violated the Substance Abuse Policy, the Company may require a blood test, urinalysis, or other drug/alcohol test. An employee must complete the necessary drug information and consent forms prior to the testing.
4. All employees will be required to consent to and undergo periodic random testing. Failure to consent to the random test will result in termination.
5. An employee who tests positive for alcohol or drugs during the employee's first 90 days of employment will be discharged immediately for violation of the Company's Substance Abuse Policy.
6. All test results, assistance requests, and treatment records will be maintained in files separate from the employee's personnel file and will be held in the strictest of confidence, disclosed only to those having a legitimate need to know such information.

Disciplinary Action

1. Depending upon the seriousness of the offense, any violation of the policy requirements of the Substance Abuse Policy will result in discipline, up to and including discharge, even for a first offense.
2. The failure or refusal to complete the necessary paperwork, to submit to a drug test, or to undergo treatment pursuant to the requirements of the Substance Abuse Policy will be grounds for immediate termination.
3. All performance shortcomings, prohibited conduct, and attendance problems will result in discipline pursuant to the Company's normal policies independently of any drug or alcohol implications or causes.

GUIDELINES FOR BEREAVEMENTS

Funeral time – A full time employee that has completed at least one year of continuous service will receive the following paid time off to observe a funeral:

1 week – Spouse, children, father, mother

3 days – Father-in-law, mother-in-law, siblings

2 days – Grandparents, siblings-in-law.

Note: For family or friends not specifically covered under the bereavement policy unpaid or vacation time may possibly be arranged. To do this, contact your immediate supervisor on an individual basis.

SMOKING POLICY

The city of Fort Wayne has passed a no smoking ordinance that takes effect June 1, 2007. This law will affect our operations at 6912 Trafalgar-Ft Wayne, 7001 Ardmore-Ft Wayne 3711 Limestone-Fort Wayne, and 2804 N Catherwood-Indianapolis. In order to have continuity we are going to have the same policy at all of our locations.

As per the new ordinance there will be no smoking in any of our facilities, this includes electronic devices. Smoking will be permissible outside of our facilities as long as the smoker is more than 20 feet from a public entrance to said facility.

We hope everyone will abide by this policy so that we do not need to develop a disciplinary policy.

TRANSMISSION & FLUID EQUIPMENT INC.
FMLA POLICY

Family and Medical Leave

The Family and Medical Leave Act of 1993 (FMLA) requires companies with 50 or more employees to allow eligible employees to take up to 12 weeks of unpaid leave within any 12 month period for qualified family and medical events. For Transmission and Fluid Equipment, Inc., the 12-month period is calculated using a rolling method. This means the 12 month period is measured backward from the date an employee uses FMLA leave. FMLA leave taken within the preceding 12 months will reduce the amount of leave entitlement under this provision.

As an employee of Transmission and Fluid Equipment, Inc., you may be eligible for FMLA leave if you meet all of the following criteria:

- Worked for Transmission and Fluid Equipment, Inc. for a minimum of 12 months
- Worked more than 1250 hours in the preceding 12 months
- Employed at a worksite that has 50 or more employees within a 75-mile radius.

Qualified Reasons for Leave:

Family Leave may be granted for any of the following reasons:

- To care for your child after birth
- To care for your child who has been placed with you for adoption or foster care
- For Family Leave purposes, a child is defined as natural, adopted, foster, stepchild, or legal ward under age 18. Leave for birth, adoption, or foster placement must be completed within 12 months of the event.

Medical Leave may be granted for any of the following reasons:

- For your own "serious health condition" which renders you unable to perform an essential function of your job.
- To care for a spouse, child (as defined above), or parent with a "serious health condition".
- For any qualifying exigency related to or affected by the active duty or call to active duty in the Armed Forces of a spouse, son, daughter or parent (must provide proof of call-up or active military duty).
- To care for the employee's spouse, son, daughter, parent or next of kin injured or recovering from an injury suffered in the line of duty, while on active duty who is unable

to perform the duties of the service member's office, grade, rank or rating (this leave may extend up to 26 weeks in a 12 month period and medical documentation is required).

A "serious health condition" is defined as any illness, injury, impairment or physical/mental condition that involves:

- inpatient care in a hospital, hospice, or residential medical care facility, or
- continuing treatment by a health care provider due to a health condition lasting more than three consecutive days;
- pregnancy or prenatal care,
- a chronic, serious health condition which continues over an extended period of time,
- a permanent or long-term condition for which treatment may not be effective,
- and any absences to receive multiple treatments for restorative surgery, or for a condition that would result in a period of incapacity if not treated.
- Employees with questions about what serious health conditions are covered under this FMLA policy are encouraged to consult with human resources.

If both spouses work for Transmission and Fluid Equipment, Inc., they may only take together a **combined** total of 12 weeks to care for the same individual.

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.

Use of Paid and Unpaid Leave

An employee who is taking FMLA leave because of the employee's own serious health condition or the serious health condition of a family member must use all paid vacation prior to being eligible for unpaid 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. For example, if an employee has elected short-term disability benefits and it provides four to six weeks of pregnancy disability leave, the four to six weeks will be designated as FMLA leave and counted toward the employee's 12-week entitlement.

An employee who is using military FMLA leave for a qualifying requirement must use all paid vacation and personal leave prior to being eligible for unpaid leave. An employee using FMLA military caregiver leave must also use all paid vacation prior to being eligible for unpaid leave.

Under Transmission and Fluid Equipment, Inc., policy, an employee will be required to use all paid time off prior to any eligibility for short term disability (STD) pay in conjunction with leave time except for the birth or adoption of a child. Use of this time does not extend the 12-weeks or

STD pay. Family/medical leave runs concurrently with other types of leave, including but not limited to vacation time. During FMLA leave, outside employment is prohibited.

Notices and Medical Certification Requirements:

If the leave is foreseeable, you will be required to provide 30-day advance notice of the leave. Failure to provide such notice for the leave may be grounds for delay of the leave. When the need for the leave is not foreseeable, you should notify the company within two business days of learning of your need for leave. Request for leave forms are available from the human resources manager. We may require you to contact us every 30 days to report on the status of your condition (or covered relative) and your intention to return to work.

We will require medical certification to support a request for the leave because of your own (or covered relative's) serious health condition. We may also require second or third opinions at our expense. Subsequent medical recertification may also be required. Failure to provide requested certification within 15 days may result in delay of further leave until it is provided. Medical certification forms are available from the human resources manager.

Employees requesting an FMLA leave for (1) a covered family member's active duty or call to active duty in the armed forces or (2) to care for an injured or ill service member must provide notice with an explanation for the reason(s) for the needed leave to HR. Leave may commence as soon as the individual receives the call-up notice. If the leave is foreseeable, HR may require employee to provide a written request for leave and reason(s).

Employees seeking FMLA or on FMLA must comply with Company's usual and customary call-in procedures for reporting an absence.

Intermittent Leave

Leaves because of an employee's own serious health condition may be taken intermittently, or on a reduced schedule, if medically necessary. Transmission and Fluid Equipment, Inc. reserves the right to temporarily transfer an employee to another job with equal pay/benefits to accommodate the leave and prevent undue hardship for the company or employee. We will require that you, if at all possible, attempt to schedule intermittent leave in a manner that will create the least disruption to our company's operations.

Benefits during leave

During an approved FMLA leave, the company will continue to pay for its share of the employee's group health insurance or other insurance that the employee has for as long as the health insurance carrier's contract allows. However, the company may recover its share of

insurance premiums during a period of unpaid FMLA leave from an employee if the employee fails to return to work at the end of the leave. The company will continue to deduct the employee portion of the group health premium as a regular payroll deduction if the employee is being paid STD or any paid time off. If the leave is unpaid, the employee must pay their portion of the premium in the same frequency (bi-weekly) as an active employee by writing a check/money order to Transmission and Fluid Equipment, Inc.

Employee status after leave (reinstatement)

When you return from FMLA, you will be entitled to reinstatement to your job or an equivalent job with the same pay, benefits and terms and conditions of employment. However, this right to reinstatement will not apply if your leave continues after your statutory FMLA is exhausted or if you do not return to work at the expiration of your leave.

Procedure to return from leave

If you take leave because of your own serious health condition (except if taking intermittent leave), you must provide a return to work medical fitness form from your healthcare provider prior to returning to work. The return to work release statement should be submitted to the Human Resource Manager. An employee will not be permitted to resume work until such return to work release is provided. Failure to return to work at the conclusion of your approved leave may result in termination of your employment.

NOTE: Company will follow current FMLA regulations when determining whether a requested FMLA leave meets established approval guidelines. If anything in this policy is in conflict with FMLA regulations, the regulations will prevail.

NOTICE

Effective immediately

Whenever an employee cannot report for work at their scheduled time, said employee must contact their respective manager by one of the following methods.

1. Text
2. Email
3. Telephone call.

HARRASSMENT POLICY

TRANSMISSION & FLUID EQUIPMENT believes that every employee has the right to a work environment free of unwelcome verbal or physical conduct which harasses, disrupts, or interferes with the individual's work performance or creates an intimidating, offensive, or hostile environment. **Transmission & Fluid Equipment** does not tolerate any employees engaging in this type of behavior. Any employee participating in such negative conduct will be subject to appropriate corrective action that may include termination.

EMPLOYEE HARASSMENT is any unwelcome conduct that illegally discriminates against you or another employee, unreasonably interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment. This would include harassment based upon an individual's race, religion, sexual orientation, marital status, gender, family status, age, physical or mental disability, or other protected classifications.

SEXUAL HARASSMENT is defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of sexual nature where submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or submission to or rejection of such conduct is used or threatened to be used as the basis for employment decisions affecting such individual; or such unreasonable conduct interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment.

REPORTING GUIDELINES: If you become aware of situations involving unwelcome and inappropriate behavior directed toward you or another employee, report it immediately to your supervisor. If for any reason you do not feel that you can speak to your supervisor about the situation, please report to:

Carmen Jennings
Human Resources

Upon receipt of a complaint under this policy, **Transmission & Fluid Equipment** will initiate an investigation of the situation and document the responses of all individuals involved. If your complaint is not handled to your satisfaction, then you should follow-up with a written statement to the **Transmission & Fluid Equipment** president, controller, or human resources manager.

DISCIPLINARY ACTION: Any disciplinary action taken in response to the findings of a harassment complaint will be based on the individual circumstances of each situation. Disciplinary actions may include, but are not limited to, written warnings, suspensions without pay, or termination. In addition, if it is determined that a person has falsely and intentionally

accused someone of harassment, appropriate disciplinary action may be taken, which may include termination.

NON-FRATERNIZATION POLICY

While Transmission & Fluid Equipment does not wish to interfere with the off-duty and personal conduct of its employees, certain types of off-duty conduct and relationships may interfere with the Company's legitimate business interests. To prevent unwanted sexual harassment claims, uncomfortable work relationships, morale problems among other employees, and even the appearance of impropriety, managers and supervisors of the Company are strictly prohibited from engaging in consensual, romantic, or sexual relationships with any managers, supervisors, or any level employees of Transmission & Fluid Equipment in which they supervise.

This policy is intended to supplement our existing sexual harassment policy. If you have any questions concerning the intent of this policy or its application to any existing or contemplated relationship, please consult the Company's Human Resource Manager. All such inquiries will be treated confidentially and consistently with the legitimate business needs of Transmission & Fluid Equipment.

FIREARMS POLICY

Employees may not bring firearms or ammunition onto Company property unless the employee is legally authorized to possess and transport such firearms. Unless the employee has a valid conceal and carry permit, the firearms must not be loaded, and the firearms and ammunition must be kept in the employee's locked vehicle in the trunk, glove compartment, or otherwise out of sight. Furthermore, unless the employee has a conceal and carry permit, employees are prohibited from removing the firearms or ammunition from employee's vehicle or having them in plain sight during the work day or at any time on Company premises.

EMAIL/COMPUTER/INTERNET ACCEPTABLE USAGE POLICY

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

While we have set forth explicit requirements for Internet usage below, we would like to start by describing our Internet usage philosophy. First, the Internet for TFE is a business tool, provided to you at significant cost. That means we expect you to use your Internet access for business-related purposes, i.e., to communicate with clients, courts, colleagues and suppliers, to communicate or research relevant topics and obtain useful business information. We insist that you conduct yourself honestly and appropriately, on the Internet, and respect the copyrights, software licensing rules, property rights, privacy and prerogatives of others, just as you would in any other business dealings. To be clear on this point, all existing TFE policies apply to your conduct on the Internet, especially those that deal with intellectual property protection, privacy, misuse of TFE resources, sexual or other forms of harassment, information and data security, and confidentiality.

Unnecessary or unauthorized Internet usage causes network and server congestion. It slows other users, takes away from work time, consumes supplies, and ties up printers and other shared resources. Unlawful Internet usage may also garner negative publicity for TFE and expose TFE to significant legal liabilities.

The chats, newsgroups and email of the Internet give each individual Internet user an immense and unprecedented reach to communicate and tell our business story. Because of that power, we must take special care to maintain the clarity, consistency and integrity of TFE's corporate image and posture. Anything any one employee writes in the course of acting for TFE on the Internet can be taken as representing TFE's corporate posture.

While our direct connection to the Internet offers an abundance of potential benefits, it can also open the door to some significant risks to our data and systems if we do not follow appropriate security discipline. As presented in greater detail below, that may mean preventing machines with sensitive data or applications from connecting to the Internet entirely, or it may mean that certain users must be prevented from using certain Internet features like file transfers. The overriding principle is that security is to be everyone's first concern. An Internet user can be held accountable for any breaches of security or confidentiality.

Certain terms in this policy should be understood expansively to include related concepts.

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

Detailed Internet/E-mail Policy Provisions

A. Management and Administration

1. TFE has software and systems in place that can monitor and record all Internet usage. We want you to be aware that our security systems are capable of recording (for each and every user) each World Wide Web site visit, each chat, newsgroup or email message, and each file transfer into and out of our internal networks, and we reserve the right to do so at any time. No employee should have any expectation of privacy as to his or her Internet usage. Our managers and/or IT personnel will review Internet activity and analyze usage patterns and they may choose to publicize this data to assure that TFE Internet resources are devoted to maintaining the highest levels of productivity.
2. E-mail/internet should not be used as an avenue to advertise or promote personal messages.
3. We reserve the right to inspect any and all files stored in private areas of our network in order to assure compliance with policy.
4. The display of any kind of sexually explicit image or document on any TFE system is a violation of our policy on sexual harassment. In addition, sexually explicit material may not be archived, stored, distributed, edited or recorded using our network or computing resources. Should you receive such material from an outside source you should immediately delete it.
5. TFE uses independently supplied software and data to identify inappropriate or sexually explicit Internet sites. We may block access from within our networks to all such sites that we know of. If you find yourself connected incidentally to a site that contains sexually explicit or offensive material, you must disconnect from that site immediately, regardless of whether that site had been previously deemed acceptable by any screening or rating program.

6. TFE's Internet facilities and computing resources must not be used knowingly to violate the laws and regulations of the United States or any other nation, or the laws and regulations of any state, city, province or other local jurisdiction in any material way. Use of any TFE resource for illegal activity is grounds for immediate dismissal, and we will cooperate with any legitimate law enforcement agency.
7. Any software or files downloaded via the Internet into TFE network become the property of TFE. Any such files or software may be used only in ways that are consistent with their licenses or copyrights. No downloads without IT approval.
8. No employee may use TFE facilities knowingly to download or distribute pirated software or data.
9. No employee may use TFE's Internet facilities to deliberately download and reproduce any virus, worm, Trojan horse, or trap-door program code.
10. No employee may use TFE's Internet facilities knowingly to disable or overload any computer system or network, or to circumvent any system intended to protect the privacy or security of another user.
11. Only those employees or officials who are duly authorized to speak to the media, to analysts or in public gatherings on behalf of TFE may speak/write in the name of TFE to any newsgroup or chat room. Where an individual participant is identified as an employee or agent of TFE, the employee must refrain from any unauthorized political advocacy and must refrain from the unauthorized endorsement or appearance of endorsement by TFE of any commercial product or service not sold or serviced by TFE, its subsidiaries or its affiliates. Only those managers and TFE officials who are authorized to speak to the media, to analysts or in public gatherings on behalf of TFE may grant such authority to newsgroup or chat room participants.
12. TFE retains the copyright to any material posted to any forum, newsgroup, chat or World Wide Web page by any employee in the course of his or her duties.
13. Employees are reminded that chats and newsgroups are public forums where it is inappropriate to reveal confidential TFE information, customer data, trade secrets, and any other material covered by existing TFE secrecy policies and procedures. Employees releasing protected information via a newsgroup or chat-whether or not the release is inadvertent-will be subject to all penalties under existing data security policies and procedures.

14. Use of TFE Internet access facilities to commit infractions such as misuse of TFE assets or resources, sexual or other forms of harassment, unauthorized public speaking and misappropriation or theft of intellectual property are also prohibited.
15. Since a wide variety of materials may be deemed offensive by colleagues, clients or suppliers, it is a violation of TFE policy to store, view, print or redistribute any document or graphic file that is not directly related to the user's job or TFE's business activities.
16. TFE will comply with reasonable requests from law enforcement and regulatory agencies for logs, diaries and archives on individuals' Internet activities.
17. Employees with Internet access must take particular care to understand the copyright, trademark, libel, slander and public speech control laws of all countries in which TFE maintains a business presence, so that our use of the Internet does not inadvertently violate any laws which might be enforceable against us.
18. Employees with Internet access may not download software unless such download has been coordinated with the Information Technology Department. Downloaded software must be used only under the terms of its license.
19. Employees with Internet access may not use TFE Internet facilities to download entertainment software or games, or to play games against opponents over the Internet.
20. Employees with Internet access may not use TFE Internet facilities to download images or videos unless there is an explicit business-related use for the material.
21. Employees with Internet access may not upload any software licensed to TFE or data owned or licensed by TFE without explicit authorization from the manager responsible for the software or data.

B. Technical

1. User ids and passwords help maintain individual accountability for Internet resource usage. Any employee who obtains a password or ID for an Internet resource must keep that password confidential. TFE policy prohibits the sharing of user IDs or passwords obtained for access to Internet sites.
2. Employees should schedule communications-intensive operations such as large file transfers, video downloads, mass e-mailings and the like for off-peak times.

3. Any file that is downloaded must be scanned for viruses by the Information Technology Personnel before it is run or accessed.
4. Video and audio streaming and downloading technologies represent significant data traffic which can cause local network congestion. Video and audio downloading should be avoided and may only be scheduled for off-peak times and must be approved and downloaded by the Information Systems Department.

C. Security

1. TFE has installed a variety of firewalls, proxies, Internet address screening programs and other security systems to assure the safety and security of TFE's networks. Any employee who attempts to disable, defeat or circumvent any TFE security facility will be subject to all Internet access being revoked.
2. Files containing sensitive TFE data that are transferred in any way across the Internet must be encrypted.
3. Computers that use their own modems to create independent data connections sidestep our network security mechanisms. An individual computer's private connection to any outside computer can be used by an attacker to compromise any TFE network to which the computer is attached. That is why any computer used for independent dial-up or leased-line connections to any outside computer or network must be physically isolated from TFE's internal networks.
4. Only those Internet services and functions with documented business purposes for TFE will be enabled at the Internet firewall.

LACTATION BREAK

The Healthcare Reform and Recovery Act requires employers to provide a lactation room for mothers who have given birth for the first year after the birth of the child. See your supervisor for the location of such room. The room will be free of intrusion while in use for lactation. Breaks will be allowed (unpaid) for the reasonable period of time(s) necessary for the mother to extract the breast milk.

Jury Duty Policy

TFE will grant employees time off for mandatory jury duty. A copy of the court notice must be submitted to the employee's supervisor to verify the need for such leave. The employee will not receive any pay from TFE for the time serving jury duty. Employee is allowed to use paid-time off if they have earned and accrued unused time.

The employee is expected to report for work when doing so does not conflict with Court obligation. It is the employee's responsibility to keep his or her supervisor informed about the amount of time required for jury duty and to provide documentation regarding the amount of jury duty in order to receive paid-time off if eligible.

Key and Building Security Policy

The policies and procedures contained have been developed to ensure the safety and security of the information controlled within the TFE facility with the goal of maximizing personal safety as well as protecting the property and assets.

It is both a condition of your employment at TFE and your responsibility to understand and adhere to these rules:

Entry or Alarm Codes

- Never give your Entry Code or Alarm Code to anyone including other TFE personnel.
- Protect Your Entry Code or Alarm Code from discovery by any person.
- If for any reason your Entry Code or Alarm Code are discovered by anyone, it is your responsibility to notify your Supervisor immediately so that the code(s) can be cancelled, and a new code(s) issued.

Office Keys

- Never loan your key(s) to anyone.
- Never leave your key(s) unattended.
- If you lose your key(s) it is your responsibility to notify your Supervisor immediately so that the appropriate security actions can be taken.

Violations of the security procedures enacted by TFE may subject you to termination or criminal charges where appropriate.

Attire and Grooming Policy

Objective

TFE requires employees to maintain a neat and hygienic appearance that is suitable for the work being performed. TFE management may determine and enforce guidelines for workplace-appropriate attire and grooming for their areas.

Procedures

All TFE staff members are expected to present a professional image to visitors, customers, and the public. Proper personal appearance is a continuing requirement of employment with TFE. Supervisors should communicate any department-specific workplace attire and grooming guidelines to staff members during new-hire orientation. Any questions about the department's guidelines for attire should be discussed with the immediate supervisor.

Any staff member who does not meet the attire or grooming standards set by his or her department will be subject to corrective action and may be asked to leave to change clothing.

Hourly staff members will not be paid for any work time missed because of failure to comply with workplace attire and grooming standards. Likewise, employees should take caution as to wearing TFE logo attire outside of work and maintaining a professional demeanor so TFE is not represented in a negative manner.

Specific requirements

Some positions may be required to meet special dress, grooming and hygiene standards, such as wearing TFE logo attire or protective clothing, depending on the nature of their job. Uniforms and protective clothing may be required for certain positions and will be provided to employees by TFE. At the approval of management, in special circumstances, such as during unusually hot or cold weather or during special occasions, staff members may be permitted to dress in a more casual fashion than usual. On these occasions, staff members are still expected to present a neat appearance and are not permitted to wear ripped or frayed clothing or athletic wear. Likewise, tight, revealing or otherwise workplace-inappropriate dress, or wearing sweatshirt/jacket hoods up is not permitted. TFE will offer a trade-in option to replace shirts with holes or stains and provide a new shirt to maintain a professional appearance.

Reasonable accommodation of religious beliefs

TFE recognizes individually held religious beliefs and will reasonably accommodate an employee's religious beliefs about workplace attire unless the accommodation creates an undue hardship. Accommodation of religious beliefs in terms of attire may be difficult due to safety issues for staff members. Those requesting a workplace attire accommodation based on religious beliefs should be referred to the human resources department.

Shift Differential Policy

Purpose

The shift differential policy allows for extra compensation to nonexempt employees who are scheduled on a regular basis to work during 2nd shift.

Procedure

Second shift hours begin at 2:00 p.m. and end at 11:00 p.m. Employees are eligible for differential pay only for the actual hours worked within this defined shift.

Evening hours will be compensated at an additional \$1 per hour. Shift differentials will be included when determining the rate of pay for overtime hours.

Compensation During Leave

If the employee has a permanent 2nd shift schedule, paid vacation and other paid leave (holiday, bereavement) will be paid at the differential rate.

Social Media Policy

Social media refers to blogs, chat rooms, forums and social networking sites such as MySpace, Facebook, Twitter, LinkedIn, and YouTube, among others. You have the right to engage in personal social media activities to express your thoughts or promote your ideas, as long as your activities are not performed on working time or by using our communications system, and do not cause harm to others or conflict with our personnel policies, business, goodwill or reputation.

If you engage in social media activities on your own time, you must comply with the following guidelines as a condition of employment with us:

- Do not identify yourself as a representative for TFE unless you obtain advance approval by management. This includes wearing TFE logo attire outside of the work function or capacity.
- Do not disclose our confidential and proprietary information or trade secrets.
- Do not write or post harassing or offensive material.
- Do not defame TFE or our personnel, activities or competitors.
- Do not use or reproduce our logo, website link or other TFE information without advance permission of your supervisor.
- When expressing your opinion or position, you must use your own name and internet account, not TFE or internet account. Your comments or posts must be yours alone, and must not appear to be representative of or approved by TFE.

GUIDELINES

1. **Remember that the internet is not anonymous, nor does it forget.**
Everything written on the internet can be traced back to its author in one way or another and very easily. Information is backed-up often and repeatedly and post in one form or usually replicated in others through trackbacks and reposts or references.
2. **There is no clear line between your work life and your personal life. Always be honest and respectful in both capacities.**

With the ease of tracing author's back from their posts and the amount of information on-line, finding the actual identity of a post from a few posts and a screen name is not impossible. This creates an avenue for outside parties to link your personal writings to those you have done in a professional capacity. Always write as if everyone knows you. Never write anything that you wouldn't say out loud to all parties involved.

3. **Avoid hazardous materials.**

Do not post or link to any materials that are defamatory, harassing, or indecent.

4. **Don't promote other brands with TFE's brand.**

Do not promote personal projects or endorse other brands, causes or opinions. Be sure to respect third-party copyrights. If your personal opinion must be posted, clearly state to all readers "this does not represent the opinions of TFE".

5. **Keep confidentiality.**

Do not post any confidential or proprietary information in regards to TFE or its clients.

6. **Do not post anything in violation of any Handbook provision.**

All Handbook provisions apply to any internet/social site posting.

Remember that you are responsible for your comments or posts on social media sites. You can be sued by TFE, its personnel or by any third party if you post defamatory, proprietary, confidential, harassing, libelous, or pornographic comments.

If you want to use social media to promote TFE, you must obtain advance approval by management. While wearing TFE apparel outside of work the same professionalism is expected.

This policy is not intended to interfere with any employee's free speech rights, or to prohibit any employee's protected concerted activity or rights under the National Labor Relations Act or any other applicable law. We will enforce this policy only to the extent necessary to protect our trade secrets, enforce our policies and protect TFE.

Company Monitoring:

Workplace monitoring may be conducted by TFE for specific business reasons, such as quality control, conformity with TFE policies, customer satisfaction, security, theft protection or protection of proprietary information.

1. TFE may find it necessary to conduct audio and/or video surveillance at any and all work areas when justified by a legitimate business purpose. The company will do so only after first ensuring that such action is compliant with state and federal laws.
2. Employees should not have any expectation of privacy in work-related areas.
3. Nonwork areas where employees have a reasonable expectation of privacy will be respected to the extent according to law.
4. Employees should contact the human resource department if they have questions about this policy.
5. Continuing to work for TFE after you have become aware or should have become aware of this policy constitutes your acknowledgment of and consent to the TFE Workplace Monitoring Policy.

Work from Home Policy:

Definition

The work from home policy allows employees to work at home for all or some of their regularly scheduled work hours. Although not all jobs can be performed satisfactorily from other locations, TFE recognizes that, in some cases, telecommuting arrangements can provide a mutually beneficial option for both TFE and employees.

Employee Eligibility

Candidates for telecommuting arrangements must:

- have prior supervisor approval,
- possess good time-management and organizational skills, and
- have been employed with TFE for 12 months.

Types of Arrangements

While employees and supervisors have the freedom to develop arrangements tailored to employee and departmental needs, the following basic requirements must be met:

- Employees must be able to carry out the same duties, assignments, and other work obligations at their home office as they do when working on TFE's premises. They also must be able to perform at the same efficiency levels and maintain the same time management as in the office.
- The workweek for all full-time regular employees is 40 hours, divided into five days, Monday through Friday, with employees scheduled to work eight hours per day.
- Employees must be available to their supervisors and co-workers during their normal scheduled work hours unless previously approved by their manager.
- Employees must be able to maintain a professional atmosphere free from distractions and background noise.
- Employees must be available to attend scheduled meetings and participate in other required office activities at the home office as needed without interruptions.
- The employee and manager will agree on the days of telecommuting while keeping within the guidelines of working remote no more than 2 days per work week and a maximum of 4 days per month.
- The employee agrees to be accessible by phone or email within a reasonable time period during the agreed upon work schedule as determined by the employer.
- Telecommuting employees who are not exempt from the overtime requirements will be required to clock in and out within Paylocity according to their usual scheduled times. Hours worked in excess of those specified per day and per work week, will require the advance approval of their supervisor. Failure to comply with this requirement can result in the immediate ending of the telecommuting agreement.
- Expectations of job performance are held at the same level while working at home as in the office. If the same expectations can't be met, then the employee will lose the ability to work from home.

Equipment/Furnishings/Office Supplies

TFE does not provide telecommuting employees with equipment or office furnishings for their home offices. Employees are responsible for equipping and maintaining their home offices so that they can accomplish their work in an efficient and expeditious manner. Depending on the nature of their jobs, this may require having computers, printers, computer software, and scanners.

Employees are responsible for providing office furnishings—such as desks, chairs, file cabinets, and lighting—at their own expense.

TFE provides common office supplies, such as paper, pencils, pens, and paper clips, for employees' use in their home offices.

Request Process

Telecommuting arrangements are approved by supervisors on a case-by-case basis.

Telecommuting might not be feasible within some departments or for certain positions within a department.

Employees interested in telecommuting arrangements should discuss the matter with their supervisors.

Other Requirements/Restrictions

TFE has the right to cancel or suspend employee telecommuting privileges at any time, for any reason. TFE has the right to cancel/modify a planned telework day on short notice as soon as the prior day to cover staffing needs and maintain service levels at the branch. Reasons include but are not limited to coverage for employees that call in sick or are on vacation, training sessions or meetings.

Employees are cautioned that they should have no expectation of privacy while using company equipment during telework days including the internet, email, and computer files. TFE will use content management tools to monitor, review or block content that violates TFE's EMAIL/COMPUTER/INTERNET ACCEPTABLE USAGE POLICY. TFE will monitor activity levels electronically as well as responsiveness to emails and phone calls.

All other policies in the employee handbook apply while working from home.

TFE observes the following holidays:

- New Year's Day
- Memorial Day
- Independence Day (4th of July)
- Labor Day
- Thanksgiving Day
- Friday after Thanksgiving ***Ardmore location open***
- Christmas Eve ***Ardmore location open***
- Christmas Day

Eligibility for Paid Holidays:

All regular, full-time employees will receive holiday pay at their regular rate of pay, provided they meet the following conditions:

- Work a full shift on the employee's last scheduled work shift prior to the paid holiday. (Pre-approved vacation pay qualifies)
- Work a full shift on the employee's first scheduled work shift following the holiday. (Pre-approved vacation pay qualifies)
- Should the employee be unable to work either of these two days because of illness, proof of illness will be required to qualify for the paid holiday. (Doctor's note)

Employees will not be entitled to holiday pay in the following circumstances:

- The employee has not successfully completed the 90-day probationary period.
- The employee is on an unpaid leave of absence when the holiday occurs.

Procedures

Hourly employees that are approved by their supervisor to work on a company holiday where we are open will be paid at time and a half their regular rate of pay for hours worked in addition to holiday pay. Additionally, they will be awarded 8 hours PTO for future use. Salaried employees will be awarded 24 hours of PTO that can be paid out in addition to their salary or saved for future use.

TFE is committed to customer service and will follow our regular customers' schedules regarding holiday closures. Should a company-recognized paid holiday fall on a Saturday, the holiday will usually be observed on the preceding Friday. If the holiday falls on a Sunday, the following Monday will usually be observed as the holiday. ***This is subject to change based on our customers' needs.**

ACKNOWLEDGEMENT OF RECEIPT

This is to certify that I have read this Employee Handbook and am familiar with its contents. I understand that it is not a binding contract but a set of guidelines for the implementation of personnel policies. I understand that TFE may modify any of the provisions of this Handbook at any time, with or without notice, and may deviate from any provision of this Handbook in its sole discretion. I also understand that, notwithstanding any of the provisions of this Handbook, I am employed on an at-will basis, meaning that my employment may be terminated at any time, either by me or by TFE, with or without cause. I understand that no representative of TFE, other than the TFE President, has any authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the foregoing. I acknowledge that I do not in any way rely upon the provisions of the Employee Handbook in accepting or continuing my employment with TFE.

Employee Signature

Date

Printed Signature