

Value Tool & Engineering

2018 Handbook | A Guide for our Employees

It is our privilege to welcome you to the Value Tool & Engineering, Inc. (VTE) team! We wish you every success in your new job and hope you quickly feel at home.

This Handbook was developed to describe some of the expectations we have for all of our Employees and what you can expect from us. We hope your experience here will be challenging, enjoyable, and rewarding.

Inside this handbook you will find essential information about VTE's Human Resources policies and certain other corporate policies that will be valuable to you as you begin your career with us. As a VTE Employee, it is important — and your responsibility — to be informed about the policies that affect you. The handbook is not a contract of employment nor can it offer an answer for every situation.

Because this handbook is a key resource that outlines Employee policies, all paid VTE Employees are required to sign an acknowledgment that they have received a copy of this handbook and understand its application to their employment with VTE.

For further information on any of the benefits referenced in this summary, please contact the Human Resources department at hr@valuetooleng.com or **(574) 246-1913**.

Value Tool & Engineering has been in business since 1997. VTE started as Tool & Die shop with a focus on premium quality tool gages and fixtures, primarily for the aerospace industry. Since then, the Company has added production machining and electronics departments to meet increased consumer demand and has built more than 50,000 parts for customers throughout the world.

Steven W Hartz
President

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SECTION 1—General Employment Policies & Practices

Your Employment Relationship with the Company

Like most American companies, Value Tool & Engineering, Inc. generally does not offer individual Employees a formal employment contract with the Company. Employment is “at will,” meaning that you or the Company may end your employment at any time for any lawful reason.

This Employee Handbook is not a contract. Nothing contained in this Handbook should be construed as creating a contract guaranteeing employment for any specific duration, nor does the Handbook guarantee any prescribed process for discipline and discharge. Unless you have entered into an employment agreement that supersedes this document, either you or the Company may terminate the employment relationship at any time.

No Manager or other representative of the Company, other than an Owner, has the authority to enter into any agreement guaranteeing employment for any specific period. No such agreement shall be enforceable unless it is in writing and signed by an Owner and the Employee.

Recruitment & Hiring

The Company’s primary goal when recruiting new Employees is to fill vacancies with persons who have the best available skills, abilities, or experience needed to perform the work. Decisions regarding the recruitment, selection, and placement of Employees are made on the basis of job-related criteria.

When positions become available, qualified current Employees are encouraged and are welcome to apply for the position. As openings occur, notices relating general information about the position are posted. The Manager of the department with the opening will arrange interviews with Employees who apply.

Because “the whole team wins when we have the best players,” we encourage current Employees to recruit new talent for our Company. Referral Program rewards are typically available for qualified Employee referrals. For conditions and reward amounts, please contact Human Resources at HR@valuetooleng.com.

Employment Classifications

The following terms will be used to describe employment classifications and status:

Exempt Employees

An exempt Employee is one whose specific job duties and salary meet the requirements of the U.S. Department of Labor’s regulations. In general, an exempt Employee is one who is paid on a salary basis at not less than \$455 per week who holds an administrative, professional, or Management position. Certain outside sales persons and a few other job categories are also exempt. Exempt Employees are not subject to the overtime pay provisions of the federal Fair Labor Standards Act (FLSA).

Non-Exempt Employees

Salaried Employees who are not administrative, professional, or Managerial Employees (as defined by the U.S. Department of Labor) and many hourly Employees are generally not exempt from the FLSA's overtime provisions.

Full-Time Employees

Full-time Employees are those who are regularly scheduled to work at least 40 hours per week that are not hired on a temporary basis.

Part-Time Employees

Part-time Employees are those who are regularly scheduled to work fewer than 40 hours per week that are not hired on a temporary basis. Part-time Employees are not eligible for Company paid benefits, with the exception of the IRA plan, except as required by law. Any Employee who works 1,000 hours per year or more may participate in the IRA plan.

Temporary Employees

Employees hired on an interim basis, usually to fill in for vacations, leaves of absence, or projects of a limited duration. Temporary Employees are not eligible for Company paid benefits, except as required by law.

Probationary Period

A 90 day probationary period exists to help ensure that the new employee is making adequate progress in learning the job, adhering to Company policies, and adopting to the Company culture. At the end of this period, a formal evaluation is conducted. An unsatisfactory evaluation may result in the extension of the probationary period. By completing this probationary period, an employee is not guaranteed continued employment. Employment is "at-will" and subject to various conditions in accordance with state law.

Orientation & Training

To help you become familiar with the Company and our way of doing things, the Company may provide orientation within the first few days after you begin work. Some of the content of your orientation will depend in large part on the nature of your responsibilities, while other parts will be applicable to all Employees. In addition, the Company may periodically offer additional training or educational programs. Some programs may be voluntary, while others will be required.

Immigration Law Applicable to All Employees

The Company complies with the Immigration Reform and Control Act of 1986 by employing only U.S. citizens and non-citizens who are authorized to work in the United States. All Employees are asked on their first day of work to provide original documents verifying the right to work in the United States and to sign a verification form required by federal law (Form I-9). If you cannot verify your right to work in the United States within three (3) days of hire, the Company is required by law to terminate your employment.

Hours of Work

The Company has a 40-hour workweek. The workweek is Monday through Friday, with operating hours from 7:00 A.M. to 3:30 P.M. with a half-hour around noon for lunch. The Company, at some locations, has multiple shifts: a first shift from 7:00 A.M to 3:30 P.M and a second shift from 3:00 P.M to 11:30 P.M. The Company follows a Sunday through Saturday pay cycle.

Please contact your Manager or Human Resources for information on normal business office hours at your location.

Timekeeping Policy

General

All hours worked by non-exempt hourly Employees must be recorded electronically on the Company's timekeeping system (the Time Clock) by signing in and signing out. Employees must also manually record all work time, and only work time, on separate Time Sheets (see form **VTE-113**) used to accurately reflect the hours worked on each job.

If any Employee elects to keep a personal record of his/her hours, any discrepancies between the Employee's personal record and the Company's record must be reported to the Employee's immediate Supervisor within seven (7) days of the paycheck date in which the discrepancy occurred. Failure to report the discrepancy within this 7-day time frame shall constitute the Employee's agreement that the Company's record is the accurate record for hours worked for that pay period.

The Company operates on a Shift Schedule basis; we control our production operation on the basis of strictly scheduled start times and end times. That means when an Employee signs in prior to the shift start time or signs out after the shift quitting time, that time is not considered time worked. (See exception in "Extended Shift" below).

Only Supervisors may record time for an Employee who does not have Time Clock or time card access and cannot sign in or out. In such cases, a complete and signed explanation must be included on the time card whenever a Supervisor "clocks in" or "clocks out" one of his/her Employees.

Only actual work time is counted, and no rounding occurs. VTE compensates fully for all productive time worked during an Employee's assigned shift.

When an Employee takes their unpaid break (e.g. lunch) they must punch out upon their exit and punch back in upon their return. The same Time Clock rules apply as those at the beginning and end of each shift (see "Extended Shift" above).

Overtime

Because of the nature of our business, your job may periodically require overtime work. If the Company requires that you work overtime, we will give you as much advance notice as possible. You are not to work overtime hours without prior approval by your immediate Supervisor or the designated Manager.

All non-exempt hourly Employees who work in excess of 40 hours in a given work week are entitled to overtime pay. The overtime pay rate is calculated at one and one-half times the Employee's base wage and applies only to overtime hours earned on a workweek basis and not on a daily basis. Exempt Employees generally are not entitled to additional pay for overtime.

Holiday hours, vacation hours, or other paid time off does not apply toward the 40 hours worked above which overtime is paid.

Overtime must be approved in advance. Any Employee who works overtime without advance authorization from the Employee's Supervisor is subject to disciplinary action.

Attendance & Punctuality

Expectations

As the Company controls production operation requirements by following a strict Shift Schedule, it is important for Employees to report to work when scheduled, on time, ready to work, and without unnecessary absences. This includes any overtime that is scheduled, including Saturdays if required by Management. The Company recognizes that illness or other circumstances beyond your control may cause you to be absent from work from time to time. However, frequent absenteeism or tardiness cannot be tolerated and may result in disciplinary action, up to and including termination without warning. Excessive absenteeism or frequent tardiness puts an unnecessary strain on your co-workers and can have a negative impact on the success of the Company.

Whenever you know in advance that you are going to be absent, you must notify your immediate Supervisor or the designated Manager. If your absence is unexpected, you should attempt to reach your immediate Supervisor as soon as possible, but in no event later than one hour before your shift is scheduled. In the event your immediate Supervisor is unavailable, you must speak with a Manager. If you must leave a voicemail, you must provide a number where your Supervisor may reach you if need be. Failure to do so may result in disciplinary action, up to and including termination without warning.

Definitions

An Employee is "**tardy**" when that Employee punches in at the Time Clock more than one (1) minute after the scheduled start time without prior approval from the Employee's Supervisor. This includes coming back from lunch or breaks.

"**Excessive tardiness**" is considered more than one (1) "tardy" per month.

"**Excessive absenteeism**" is considered a failure to appear as scheduled two (2) times per month or a total of five (5) times per year.

Inclement Weather

The Company is open for business unless there is a government-declared state of emergency or unless you are advised otherwise by your Supervisor. There may be times when we will delay opening, and on rare occasions, we may have to close. Use common sense and your best judgment when traveling to work in inclement weather.

Personal Appearance

As an Employee of the Company, we expect Employees to wear clean and well-maintained attire appropriate to the type of work they do. Clothing should be neat, in good taste, project a positive image, and appropriate for display among co-workers.

- Fully enclosed shoes are required (no tennis shoes)
- Good grooming is required.
- Torn jeans or other torn clothing is not appropriate
- Tee shirts with inappropriate verbiage or pictures are not appropriate.
- Shirts with the Company logo are encouraged.

When your position is a general Management or administrative function, Business Casual attire is appropriate. The attire of all Employees, at all times, should meet accepted professional standards and safety regulations. Your Supervisor can counsel you on appropriate attire for your location.

Personal Items

The Company is not responsible for theft or loss of any personal items located in your work area. Any items of personal nature are the responsibility of the Employee responsibility to secure.

Work Area

Employees are responsible for maintaining the work area assigned to them. A clean, orderly work area provides an environment conducive to working effectively and efficiently. Employees should keep in mind that their work area is part of a professional environment that portrays the Company's overall dedication to providing quality service to its clients. Therefore, your work area should be clean, organized, and free of items that are not required to perform your job.

Office Equipment

Certain equipment is assigned to staff depending on the needs of the job, such as a personal computer, printer and access to our central computers and servers. This equipment is the property of the Company and cannot be removed from the office without prior approval from your Supervisor. The Company expects that you will treat this equipment with care and report any malfunctions immediately to your Supervisor, so the problem can be diagnosed and corrective action taken.

Personnel Records

It is important that the Company maintain accurate personnel records at all times. You are responsible for notifying your immediate Supervisor or the Human Resources Department of any change in name, home address, telephone number, immigration status, or any other pertinent information. By promptly notifying the Company of such changes, you will avoid compromise of your benefit eligibility, the return of W-2 forms, or similar inconvenience.

Performance Reviews & Compensation Increases

You will have your first performance review during your first three (3) months of employment with the Company in accordance with **WI-029 New Hires**. Thereafter, performance reviews will normally be conducted annually (on or about your anniversary date) or at more frequent intervals

as determined by your Manager in consideration of your particular role and responsibilities. All performance reviews will be completed in writing by your Supervisor or Manager on the form designated by the Company and reviewed during a conference with you.

Factors considered in your review include the quality of your job performance, your attendance, meeting the requirements of your job description, compliance with Company values and employment policies, any disciplinary actions, and year-to-year improvement in overall performance.

Compensation increases do not automatically accompany performance reviews and are given by the Company at its sole discretion in consideration of various factors, including your performance review.

Internet Access

Access to the Internet is given principally for work-related activities or approved educational/training activities. Incidental and occasional personal use and study use is permitted, within reason and at designated times. This privilege should not be abused and must not in any way affect the Employee's performance of employment-related activities.

Right to Monitor

The Company email and Internet system is at all times the property of the Company. By accessing the Internet and electronic mail services through facilities provided by the Company, you acknowledge that the Company (by itself or through its Internet Service Provider) may from time to time monitor, log and gather statistics on Employee Internet activity and may examine all individual connections and communications. Please note that the Company uses email filters to block spam and computer viruses. These filters may from time to time block legitimate email messages.

Responsibilities & Obligations

Employees may not access, download or distribute material that is illegal, or which others may find offensive or objectionable, such as material that is pornographic, discriminatory, harassing, or an incitement to violence.

You must respect and comply with copyright, trademark and similar laws, and use such protected information in compliance with applicable legal standards. When using web-based sources, you must provide appropriate attribution and citation of information to the websites. Software must not be downloaded from the Internet without the prior approval of qualified persons within the Company.

Violation of this policy is a serious offense and, subject to the requirements of the law, may result in a range of sanctions, from restriction of access to electronic communication facilities to disciplinary action, up to and including termination.

Email

The electronic mail (email) system is the property of the Company. All emails are archived on the Company server in accordance with our records retention policy, and all emails are subject to review by the Company. Any email account assigned to you by the Company is not to be used for matters involving your own personal business.

The Company email system is Company property and, as such, is subject to monitoring. System monitoring is done for your protection and the protection of the rights or property of the provider of these services. Please consider this when using Company hardware and software.

Electronic mail is like any other form of Company communication, and may not be used for harassment or other unlawful purposes. Your email account is a Company-provided privilege, and is Company property. Remember that when you send email from the Company domain, you represent the Company and your communication should reflect the values of the Company at all time.

Confidentiality of Electronic Mail

As noted above, electronic mail is subject at all times to monitoring, and the release of specific information is subject to applicable laws and Company rules, policies and procedures on confidentiality. Existing rules, policies and procedures governing the sharing of confidential information also apply to the sharing of information via commercial software.

Social Media

The term “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 website, social networking or affinity website, web bulletin board, or a 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 rules, policies and procedures apply to an Employee’s social media activities online.

Any conduct that adversely affects an Employee’s job performance, the performance of fellow Employees, or the Company’s legitimate business interests, may result in disciplinary action, up to and including termination. Similarly, inappropriate postings, including but not limited to discriminatory remarks, harassment and threats of violence, or similar inappropriate or unlawful conduct, will not be tolerated and may result in disciplinary action, up to and including termination.

Telephones

Access to the Company telephone system is given principally for work-related activities or approved educational/training activities. Incidental and occasional personal use is permitted, within reason and at designated times. This privilege should not be abused and must not affect the Employee’s performance of employment-related activities. Telephone usage should be based upon cost-effective practices that support the Company’s mission and should comply with applicable rules and regulations.

The Company telephone system is always the property of the Company. By accessing the telephone system through facilities provided by the Company, you acknowledge that the Company has the right to monitor its telephone system from time to time to ensure that Employees are using the system for its intended purposes.

Mobile Technology & Personal Devices

While at work, Employees are required to restrict their usage of mobile devices to breaks and lunch time. Employees must also ensure that friends and family members are aware of the

Company's policy. Emergency phone calls during working hours should be directed through the Company switchboard. (The Company will not be liable for the loss of personal devices brought into the workplace.)

Personal Use of Company-Provided Technology

Where job or business needs demand immediate access to an Employee, a department Manager may authorize issue of mobile technology devices for work-related communications and/or Company business. In order to protect the Employee from incurring a tax liability for the personal use of equipment, such equipment should be used for business reasons.

Employees in possession of Company equipment (e.g., phones, handheld devices, radios, tablets, laptop computers, peripheral devices, etc.) are expected to protect the equipment from loss, damage or theft. Upon resignation, termination of employment, or at any time upon request, the Employee will be asked to produce the equipment for return or inspection. Employees unable to present the equipment in good working condition within a reasonable time period (i.e., 24 hours) will bear the cost of a replacement. Any outstanding debt will be deducted from the Employee's final pay check.

Cellular Phone Use while Operating a Vehicle

The Company prohibits the use of hand-held cellular devices while driving. Employees are to use a hands-free cellular device while driving. Sending and/or receiving text messages is expressly prohibited while operating any vehicle.

Driving while distracted is a moving violation in every state the Company has an office. Accidents incurred while the driver is using a cellular phone may be considered to be preventable and the driver may be subject to disciplinary action. Employees who are charged with traffic violations resulting from the use of their phone while driving will be responsible for all financial liabilities (fines associated with citations) that result from such actions.

Smoking

In compliance with state law and in order to provide a safe and comfortable working environment for all Employees, smoking is strictly prohibited at all times inside any Company building. Smoking is also prohibited within eight (8) feet of any entrance to the Company, as well as in any vehicle owned, leased, or operated by the Company or used for a Company function.

Drug-Free Workplace

The Company is committed to providing a substance abuse-free workplace for its Employees. Substance abuse of any kind is inconsistent with the behavior expected of our Employees, subjects all Employees and visitors to our facilities to unacceptable safety risks, and undermines our ability to operate effectively and efficiently.

Substance Abuse

The Company recognizes alcohol and drug abuse as potential health, safety and security problems. The Company expects all Employees to assist in maintaining a work environment free from the effects of alcohol, drugs or other intoxicating substances.

All Employees are prohibited from engaging in the unlawful manufacture, possession, use, distribution or purchase of illicit drugs, alcohol or other intoxicants, as well as the misuse of prescription drugs on Company premises or at any time and any place during working hours. While we cannot control your behavior off the premises on your own time, any off-duty activity, including drug or alcohol related activity, that leads to your arrest or that causes embarrassment to the Company may be grounds for discipline and/or discharge.

All Employees are required to report to their jobs in appropriate mental and physical condition, ready to work. This substance abuse policy is a condition of employment and Employees who violate it will be subject to disciplinary action up to and including termination of employment.

Health & Safety

The Company is committed to providing a safe and healthy environment in which to work, and we make every effort to comply with all relevant federal, state and local occupational health and safety laws, including the federal Occupational Safety and Health Act. As an Employee, you have a duty to comply with the safety rules of the Company, and you are expected to take an active part in maintaining this healthy and injury-free environment.

Emergency Procedures

Employees should be familiar with the location of the nearest fire exit; the evacuation plan for your area (where you are to convene after vacating your building and who you should report to); the telephone number to call; and what to do if there is a fire, medical emergency, natural disaster or any other emergency.

Safety Rules & Regulations

Employees must also be aware of and adhere to all posted safety rules and the safety rules for your specific job, if any, such as personal protective equipment, machine safeguarding and proper use of equipment, handling and storage of materials and housekeeping.

Each Employee's workspace should be kept neat, clean and orderly. Employees are required to immediately report any accidents or injuries – including any breaches of safety – and to promptly report any unsafe equipment, working condition, process or procedure to a Supervisor (see "Accident & Injury" below).

Common safety practices include, but are not limited to, the following:

- 1) Wear safety glasses and hearing protection when appropriate.
- 2) Proper work attire and shoes for the shop are required:
 - a. No tennis shoes of any kind are permitted.
 - b. No open style shoes or sandals are permitted.
- 3) Use proper guarding on equipment and wear proper protective equipment around chemicals.
- 4) Keep all aisles open and keep work areas clean.
- 5) Clean-up liquid spills on floors immediately.

6) Use proper equipment for lifting heavy objects.

Failure to abide by the Company's safety practices may result in disciplinary action, up to and including termination.

Accident & Injury

All accidents or personal injuries are to be reported immediately to a Supervisor. The Supervisor will then determine if the injury can be treated by routine first-aid only and, if so, ensure that such treatment is provided. If there is any doubt regarding whether or not an injury requires medical treatment by a physician, the Supervisor will resolve the decision in favor of treatment by a physician. An ill or injured Employee will always be allowed to see a doctor if the Employee requests one.

An injured Employee shall not drive themselves to medical services. If any injury is deemed to be minor, a Company representative should accompany the injured Employee to the doctor or hospital, so the injured Employee can be assisted and the advised of return-to-work options. Time spent in the initial medical visit due to a compensable work-related injury is considered work time. Once seen, a determination will be made to send the Employee home or return him/her to work

The Human Resources department should be advised immediately when an Employee is injured so that the Workers Compensation administrator can be contacted. Failure to do so may result in a loss of benefits under the state workers' compensation law.

When the Employee requires medical attention from a doctor, a Physician's Release Form must be filled out by the doctor before the Employee may return to work. The Physician's Release Form specifies the return-to-work options and whether or not the injured Employee has any specified restrictions.

Workplace Violence

As stated above, the Company is committed to the safety and security of our Employees. Workplace violence presents a serious occupational safety hazard to our organization, staff, and clients.

Workplace violence includes any physical assault or act of aggressive behavior occurring where an Employee performs any work-related duty in the course of his or her employment, including but not limited to an attempt or threat, whether verbal or physical, to inflict physical injury upon an Employee; any intentional display of force which would give an Employee reason to fear or expect bodily harm; intentional and wrongful physical contact with a person without his or her consent that entails some injury; or stalking an Employee with the intent of causing fear of material harm to the physical safety and health of such Employee when such stalking has arisen through and in the course of employment.

Acts of violence by or against any of our Employees where any work-related duty is performed will be thoroughly investigated and appropriate action will be taken, including the involvement of law enforcement authorities when warranted. All Employees are responsible for helping to create an environment of mutual respect for each other as well as clients and visitors, following all

policies, procedures and practices, and for assisting in maintaining a safe and secure work environment.

Promotions & Transfers

In an effort to match you with the job for which you are most suited and/or to meet the business and operational needs of the Company, you may be transferred from your current job. This may be either at your request or as a result of a decision by the Company.

Reasons for transfer may include, but are not necessarily limited to, fluctuations in department workloads or production flow; a desire for more efficient utilization of personnel; increased career opportunities; personality conflicts; health; other personal situations; or other business reasons.

Most job openings that are intended to be filled are publicized. The Management of the Company does reserve the right, however, to hire, transfer, or promote an Employee without posting the availability of that position. Temporary transfers may be made at the discretion of the Company Management.

SECTION 2—Anti-Discrimination & Harassment

Discrimination Is Prohibited

The Company is an equal opportunity employer and makes all employment decisions without regard to race, religion, color, sex, national origin, disability, age, or any other status protected under applicable federal, state, or local laws. This policy applies to all terms and conditions of employment, including but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, benefits, compensation and training. We seek to comply with all applicable federal, state and local laws related to discrimination and will not tolerate the interference with the ability of any of the Company's Employees to perform their job duties.

The Company makes decisions concerning employment based strictly on an individual's qualifications and ability to perform the job under consideration, the comparative qualifications and abilities of other applicants or Employees, and the individual's past performance within the organization.

Americans with Disabilities Act

The federal Americans with Disabilities Act (ADA) prohibits discrimination against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, fringe benefits, job training, and other terms, conditions and privileges of employment. The ADA does not alter the Company's right to hire the best-qualified applicant, but it does prohibit discrimination against a qualified applicant or Employee because of his or her disability. As a matter of Company policy, the Company prohibits discrimination of any kind against people with disabilities.

Workplace Harassment

The Company is committed to providing a work environment that provides Employees equality, respect and dignity. In keeping with this commitment, the Company has adopted a policy of "zero tolerance" with regard to Employee harassment. Harassment is defined under federal law as unwelcome conduct that is based on race, color, religion, sex (including pregnancy, sexual orientation and gender identity), national origin, age (40 or older), disability or genetic information. Harassment becomes unlawful where: (1) enduring the offensive conduct becomes a condition of continued employment; or (2) the conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive.

This policy applies to all aspects of your employment. Harassment of any other person, including, without limitation, fellow Employees, contractors, visitors, clients or customers, whether at work or outside of work, is grounds for immediate termination. The Company will make every reasonable effort to ensure that its entire community is familiar with this policy and that all Employees are aware that every complaint received will be promptly, thoroughly and impartially investigated, and resolved appropriately. The Company will not tolerate retaliation against anyone who complains of harassment or who participates in an investigation.

Sexual Harassment

Sexual harassment is prohibited by federal, state and local laws, and applies equally to men and women. Federal law defines sexual harassment as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, when the conduct: (1) explicitly or implicitly affects a term or condition of an Employee's employment; (2) is used as the basis for employment decisions affecting the Employee; or (3) unreasonably interferes with an Employee's work performance or creates an intimidating, hostile or offensive working environment.

Such conduct may include, but is not limited to: subtle or overt pressure for sexual favors; inappropriate touching; lewd, sexually oriented comments or jokes; foul or obscene language; posting of suggestive or sexually explicit posters, calendars, photographs, graffiti, or cartoons; and repeated requests for dates. Company policy further prohibits harassment and discrimination based on sex stereotyping. (Sex stereotyping occurs when one person perceives a man to be unduly effeminate or a woman to be unduly masculine and harasses or discriminates against that person because he or she does not fit the stereotype of being male or female.) The Company encourages reporting of all perceived incidents of sexual harassment, regardless of who the offender may be. Every Employee is encouraged to raise any questions or concerns with his or her immediate Supervisor, designated Manager, or Human Resources.

Supervisors' Responsibilities

All Managers are expected to ensure that the work environment is free from sexual and other harassment. They are responsible for the application and communication of this policy within their work areas. Managers should:

- Encourage Employees to report any violations of this policy *before* the harassment becomes severe or pervasive.
- Make sure the Human Resources Department is made aware of any inappropriate behavior in the workplace.
- Create a work environment where sexual and other harassment is not permitted.

Procedures for Reporting & Investigating Harassment

Employees should report incidents of inappropriate behavior or sexual harassment as soon as possible after the occurrence. Employees who believe they have been harassed, regardless of whether the offensive act was committed by a Manager, co-worker, vendor, visitor, or client, should promptly notify their immediate Supervisor, designated Manager, or Human Resources. If the Employee's immediate Supervisor is involved in the incident, the Employee should report the incident to the Human Resources department. All complaints of harassment, sexual harassment, or other inappropriate sexual conduct will be promptly, thoroughly and impartially investigated by the Company.

The Company prohibits retaliation against any Employee who files or pursues a harassment claim. To protect the privacy of persons involved, confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances.

Investigations may include interviews with the parties involved, and, where necessary, individuals who may have observed the alleged conduct or who may have relevant knowledge.

Penalties for Violation of Anti-Harassment Policy

If it is determined that inappropriate conduct has occurred, the Company will act promptly to eliminate the offending conduct, and take such action as is appropriate under the circumstances. Such action may range from counseling to termination of employment, and may include such other forms of disciplinary action (e.g., suspension), as the Company deems appropriate under the circumstances and in accordance with applicable law.

SECTION 3—Payroll Practices

Employees are paid bi-weekly (every two weeks). Because of the time required to process Company payroll, wages are paid one pay period in arrears. Employees are responsible for turning in their times sheets to ensure they are paid.

When a payroll date falls on a holiday, Employees will, when possible, be paid on the last business day before the holiday. Otherwise, Employees will be paid on the first business day following the scheduled payroll date.

Salary Deductions & Withholding

The Company will withhold the following from your paycheck:

- 1) Federal, state and local taxes, as required by law, as well as the required FICA (Social Security and Medicare) payments.
- 2) Your authorized contribution to health insurance or other insurance premiums for yourself and any eligible family members or to other contributory benefit programs.
- 3) Other deductions which you authorize, including supplemental insurance, life insurance, IRA contributions, etc.

Direct Deposit

Your paycheck will be deposited directly into your bank account. You will be given the authorization form for deposit by your immediate Supervisor, designated Manager, or Human Resources at the time of hire.

SECTION 4—Benefits

Details regarding the benefits provided by the Company and information on your eligibility for benefits are contained in the Company’s Benefits Booklet. Benefit plans governed by the federal Employee Retirement Income Security Act (ERISA) may be further described in formal summary plan descriptions, which are available for your review in the Human Resources department.

Full-time Employees are eligible to participate in the various insurance programs offered by the Company on their first day of employment. Periodically there will be an Open Enrollment period. Each program has a specified waiting period before coverage begins. If you decline to participate in these programs on your initial eligibility date, you may request entry into the plan during Open Enrollment or Special Enrollment (described in the Benefits Booklet).

Summary of Benefits

| Benefit Program | Program Summary | Eligibility |
|--|---|---|
| Health Insurance | Health insurance coverage options include: <ul style="list-style-type: none"> • Medical Plan, administered by either United Healthcare (South Bend) or Florida Blue/BCBS FL (Stuart) • Vision Plan, administered by Lincoln Financial Group • Dental Plan, administered by Health Resources, Inc. | Coverage is available for Employees and their eligible dependents. If elected, coverage will begin on the 61 st day of full-time employment |
| Basic Life Insurance | The basic life insurance plan provides financial protection for the Employee’s designated beneficiary(s) in the event of the Employee’s death. | Coverage is available for Employees and their eligible dependents. If elected, coverage will begin on the 61 st day of full-time employment |
| Individual Retirement Account (IRA) | The IRA plan provides eligible Employees a way to save for retirement with: <ul style="list-style-type: none"> • Employee pretax contributions • Monthly employer contributions to match Employee contributions | Coverage is available for Employees age 21 and over. If elected, coverage will begin during the first enrollment period after Employee’s 60 th day of full-time employment |
| Paid Time Off | <ul style="list-style-type: none"> • Ten (10) vacation days per year (after the first year) • Nine (9) scheduled holidays per year | Paid vacation time begins to accrue upon the first day of full-time employment. Full-time Employees are eligible to be compensated for paid holidays after 60 days. |

SECTION 5—Holidays, Vacation & Other Leave

Vacation

The Company recognizes the importance of vacation time in providing rest, recreation and personal enrichment. Vacations are established on a calendar-year basis.

The Company offers five (5) paid vacation days per year to full-time Employees with over one (1) year of service and ten (10) paid vacation days to full-time Employees with over two (2) years of service.

Accrual and Carryover

Upon their hire date, full-time Employees immediately begin to accrue 1.54 hours of vacation time each bi-weekly pay period. On the first year anniversary date of hire, full-time Employees begin accruing 3.07 hours per bi-weekly pay period. Employees may begin using their accrued vacation at any time after the first 90 days of employment. Vacation days may be taken separately or all at once.

Vacation time can only be taken in full-day increments. (For example: You can not take a half-day or quarter-day vacation.)

During the first year of employment you will be able to take time off up to a maximum of five (5) days). However, the time off will be deducted from your accrued vacation time. Time off that exceeds the accrued vacation time will not be compensated.

Vacation hours will accrue up to 120 hours maximum. Unused hours will not carry over, nor will they be compensated in any manner. Unused hours expire upon termination of employment regardless of the circumstances. No vacation will be allowed after notice of employment termination, by either party.

Procedure

Employees should submit requests for vacation time to your Supervisor as soon as you know when you wish to schedule your vacation, but in no event less than one (1) week prior to the time requested. (Calling in the day of a requested vacation day does not qualify as a paid vacation day and will not excuse you for an absence.)

Vacation requests are approved by your immediate Supervisor. Vacation time is coordinated so that sufficient staff is available to provide adequate coverage at all times, and there may be Company-wide or department-specific “blackout dates,” as necessary. Vacation requests are granted on a first-come, first-served basis. In the event of a conflict in vacation requests, your Supervisor will consider the Company’s staffing needs during the relevant period, as well as the length of service with the Company of the Employees involved.

Paid Holidays

Employees are entitled to the following paid holidays:

- 1) New Year’s Day
- 2) Good Friday

- 3) Memorial Day
- 4) Independence Day
- 5) Labor Day
- 6) Thanksgiving
- 7) Christmas Eve
- 8) Christmas Day
- 9) New Year's Eve

These holidays are considered “off-days” for most Employees, unless a particular department or division of the Company must operate during these days.

If a holiday falls on a day when the Company does not operate, Company Management will attempt to observe that holiday on the closest business day. (For example, if a holiday falls on a Sunday, the following Monday will be observed as a holiday.)

Holiday Pay Entitlement

Holidays are paid at the rate of one (1) 8-hour day. Employees must be employed with the Company for 60 days to receive compensation for a paid holiday. Employees must also work the full shifts immediately prior to and immediately following the paid holiday to be compensated for it, unless a vacation day has been scheduled in advance and prior Management approval has been granted.

Religious Observance

Federal and state equal opportunity laws generally require employers to accommodate the religious beliefs of Employees, but do not require them to provide paid leave. Reasonable accommodations are necessarily determined on an individual basis and depend on the circumstances. Employees who require time off for religious observance may use vacation days. This leave must be requested through your immediate Supervisor or department Manager two (2) weeks prior to the event.

Unpaid Personal Time Off

From time to time and Employee may request unpaid short-term absences for “small necessities” – which include personal, professional, or medical reasons, whether planned or unplanned, such as the following:

- Medical and dental appointments that can not be scheduled before or after work hours;
- Your personal illness, or that of a close member of your family; or
- Pressing personal business that cannot be tended to outside of work hours, e.g., a house closing.

The Company cares about the well-being of its Employees and wants to provide support. However, the Company can not operate a steady business when its Employees are not reliably present performing their essential duties.

Notification Procedures

When you do require unpaid personal time you should give your immediate Supervisor as much advance notice as possible. When you are absent from work and your absence has not been

previously scheduled, you must personally notify your immediate Supervisor or Manager as soon as you are aware that you will be late or unable to report to work. **NOTE: Leaving a voicemail or message with another Employee does not qualify as notifying your Supervisor.**

When absence is due to illness or accident that requires you to be absent for longer than five (5) days, the Company may require appropriate medical documentation. Such documentation includes the Employee's name, the date and time the Employee was seen, and if applicable, a specific instruction from a medical doctor regarding the Employee's capacity (or incapacity) to perform his or her job. Excessive absenteeism or tardiness can result in discipline, up to and including discharge. (Also see the Section below on Family & Medical Leave for extended leave situations.)

Bereavement Leave

Employees will receive up to three (3) days of unpaid time off in the event of the death of a member of their immediate family. Immediate family includes spouses, domestic partners, children, parents, parents-in-law, brothers or sisters, and brothers-in-law or sisters-in-law, grandparents, aunts and uncles.

Military Service Leave

Employees serving in the uniformed services, including the Army, Navy, Marine Corps, Air Force, Coast Guard and Public Health Service commissioned corps, as well as the reserve components of each of these services, may take unpaid military leave, as needed, to enable them to fulfill their obligations as servicemembers. Servicemembers must provide advance written or verbal notice to the Company for all military duty, unless giving notice is impossible, unreasonable, or precluded by military necessity. Employees should provide notice as far in advance as is reasonable under the circumstances. In addition, Employees may, but are not required to, use accrued vacation while performing military duty.

Family and Medical Leave

The Family and Medical Leave Act (FMLA) is a federal law that allows eligible Employees to take unpaid, job-protected leave for specified family or medical reasons from a Company that employs over 50 people. To be eligible for FMLA, Employees must have been employed by the Company for a *cumulative total* of 12 months within the last seven years and must have worked for at least 1,250 hours during the 12-month period immediately before the start of their approved leave.

FMLA covers leave of up to 12 work weeks in a 12-month period for one or more of the following reasons:

- The birth of a son or daughter or placement of a son or daughter with the Employee for adoption or foster care;
- To care for a spouse, son, daughter, or parent who has a serious health condition;
- For a serious health condition that makes the Employee unable to perform the essential functions of his or her job; or

- For any qualifying exigency arising out of the fact that a spouse, son, daughter, or parent is a military member on covered active duty or call to covered active duty status.

Any paid vacation time that you have accrued may be counted as part of your FMLA leave.

An Employee must provide at least 30 days advance notice, or as much notice as practicable, before FMLA leave is to begin if the need for the leave is foreseeable based on an expected birth, placement for adoption or foster care, or planned medical treatment for a serious health condition of the Employee or a family member. When the approximate timing of the need for leave is not foreseeable, an Employee should give notice of the need for FMLA leave as soon as practicable under the facts and circumstances of the particular case. The Employee must comply with all other requirements contained in the FMLA implementing regulations.

Consult with the Human Resources department for assistance with submission of an FMLA leave of absence request and exercising leave use and benefit continuation options. The HR department will guide you in completing appropriate forms for the leave. Additional information on eligibility requirements for FMLA is available on the federal Department of Labor's website at <https://www.dol.gov/whd/fmla/>.

Military Caregiver Leave

The FMLA also allows an eligible Employee who is the spouse, son, daughter, parent or next of kin of a member of the Armed Forces, National Guard or Reserves or of certain recent veterans with a serious illness or injury, up to 26 weeks of unpaid leave within a 12-month period to care for the injured or ill servicemember or veteran. A "serious illness or injury" is generally an injury or illness incurred by the covered servicemember in the line of duty on active duty (or that existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty) that may render the servicemember medically unfit to perform the duties of the member's office, grade, rank, or rating.

An eligible Employee is entitled to a combined total of 26 workweeks of military caregiver leave and leave for any other FMLA-qualifying reason in a single 12-month period, provided that the Employee may not take more than 12 weeks of leave for any other FMLA-qualifying reason during this period. (For example, in the single 12-month period an Employee could take 12 weeks of FMLA leave to care for a newborn child and 14 weeks of military caregiver leave, but could not take 16 weeks of leave to care for a newborn child and 10 weeks of military caregiver leave.) Generally, you must give the Company at least 30 days' notice before the commencement of any military caregiver leave.

Qualifying (Military) Exigency Leave

The FMLA also provides for up to 12 weeks of unpaid leave within a 12-month period when an eligible Employee's spouse, son, daughter, or parent is on (or has been notified of an impending call to) "covered active duty" in the Armed Forces. ("Covered active duty" for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country. "Covered active duty" for members of the U.S. National Guard and Reserves means duty during deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in a contingency operation.) The leave may also be

extended to the family members of certain retired military. This leave may be used to take care of such things as child care or financial and legal arrangements necessitated by the deployment of the family member.

Civic Duty Leave

Jury Duty

The Company encourages Employees to fulfill their civic duties. To that end, Employees will be allowed leave to serve on a jury, if summoned. We request that you give us a copy of your summons notice as soon as you receive it, so that we may keep it on file. If you are called during a particularly busy period, we may ask you to request a postponement. The Company will provide additional documentation in this regard, if necessary, to obtain such postponement.

Jury duty can last from a portion of a single day to several weeks or more. During this time you will be considered on a leave of absence and will be entitled to continue to participate in insurance and other benefits as if you were working. While serving on jury duty, you are expected to call in to your Supervisor periodically to keep him or her apprised of your status.

The Company will compensate full-time Employees for the difference between jury duty compensation and your current daily pay for the first five (5) days of jury service (or in accordance with applicable law, if different). If additional time is required, it will be granted, but without pay.

Appearance as a Witness

An Employee called to appear as a witness will be permitted time off to appear, but without pay. Employees will be permitted to use accrued vacation time when appearing as witnesses.

Voting

The Company encourages all Employees to vote. Most polling facilities for elections for public office have hours that are scheduled to accommodate working voters. The Company, therefore, requests that Employees schedule their voting for before or after their work shifts. An Employee who expects a conflict, however, should notify his or her Supervisor, in advance, so that schedules can be adjusted if necessary.

SECTION 6—Miscellaneous

Termination of Employment

Dismissal

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. However, an Employee can be terminated at will as long as there is no violation of applicable federal and state law. Some examples for which an Employee may be dismissed are:

- Poor performance, which may also take the form of incompetence (an inability to perform the required duties with no significant improvement) or insubordination (the refusal to carry out work assignments).
- Violation of Company values or infraction of Company policy, especially flagrant safety violations.
- Malfeasance, or evidence the Employee has violated the trust of the Company by using Company property for personal benefit without prior approval.
- Not reporting (or misreporting) production or operational errors, falsifying or altering quality documents, or disposing (or hiding) of scrapped parts.
- Physical or verbal abuse, harassment, or intentionally or negligently causing distress to customers, vendors, visitors, or Employees.

The following disciplinary steps may be taken based upon the nature of the offense:

- 1) Verbal coaching and counseling
- 2) Written warning of violation
- 3) Three (3) days suspension without pay
- 4) Involuntary termination

At the discretion of Management, immediate dismissal may be made for serious cases of insubordination or misbehavior.

Resignation or Retirement

If you wish to resign or retire from your employment with the Company, we request that you notify your department Manager of your anticipated departure date at least two (2) weeks in advance. If you are a Manager or higher-level Employee, we request that you notify the Company at least 30 days in advance. This notice should be in the form of a written letter.

The Company may request that you participate in an exit interview with your department Manager or HR Manager prior to leaving the Company. This provides an opportunity to return parking keys and other property and to tie up any loose ends. You will receive preliminary information at that time regarding any continuation of benefits for which you may be eligible.

If you leave the Company in good standing, you may be considered for reemployment at a later date. However, in the case of rehiring, the Company may consider you to be a new Employee with respect to vacation time, benefits and seniority.

Dispute Resolution

In a perfect world, every employment relationship would be smooth and harmonious. However, there are, unfortunately, times when Employees and employers disagree. These disagreements can arise in the context of involuntary employment termination, but there may be disagreements regarding other matters as well.

All Employees of the Company agree to first seek to mediate any dispute with the Company with a mediator from the American Arbitration Association or similar organization trained and experienced in employment disputes. If mediation is not successful, both the Company and the Employee agree to submit their dispute to arbitration. The arbitrator will be chosen from a panel presented by the American Arbitration Association or such other organization. The cost of the arbitrator will be split between the Company and the Employee. Both the Company and the Employee acknowledge that by agreeing to arbitrate, each gives up its right to litigate their employment dispute in court or to submit it to a jury. The decision of the arbitrator is final and binding. (In the event of a dispute, an Employee's agreement to mediation and arbitration will also be outlined in a separate document to be signed by the Employee.)

However, either party may seek to have a court of competent jurisdiction enforce an arbitration award. In addition, the Company retains the right to seek injunctive or other relief in the case of misappropriation of trade secrets or other confidential information, or any other action by an Employee which might reasonably be expected to lead to irreparable harm to the Company. Each party will be responsible for its own attorney or other related fees in such cases.

Confidential and Proprietary Information Statement

During your employment with Value Tool & Engineering, Inc. (the “Company”) herein after referred to as the Company, it is likely you will gain access to information that is valuable to the ongoing business operation of the Company and which the Company considers to be either confidential and/or proprietary.

Confidential information is any data, knowledge, or information to which an employee gains access by virtue of his or her employment by the Company. Examples of confidential information include: the Company’s business or operational plans, methods of operation, suppliers, customers, financial information, trade secrets; technical systems, process, methods, or operational know-how; and employee information. Exclusions include: information that is publicly known and available other than as a result of prior unauthorized disclosure by the employee.

Proprietary information is related to unique ideas or data generated from within the Company that helps determine the course of decision-making by the Company. Examples of proprietary information include: product development matters, software programs, processing techniques and sales and marketing information.

Since confidential and proprietary information is crucial to the competitive operation of the Company, and since the Company, in some instances, has the legal obligation to protect such information, it is expected that all employees will preserve the restricted nature of this information. Further, this type of information must not be removed from the Company, neither or divulged to external sources without the written permission of the President of the Company or unless it is directly within the scope of one’s job to do so.

This is an affirmative duty, which continues after the employment relationship has ended with the Company. In this regard you are not to use, publish or disclose either during or subsequent to your employment, any confidential or proprietary information to which you have had access during your employment. In addition, neither originals nor copies of information considered by the Company to be confidential or proprietary are to be disclosed to a subsequent employer. Violation of this duty as described by Company Policy can result in disciplinary and/or legal action.

In the event you have any questions as to whether a particular matter is proprietary or confidential, please contact your manager.

A signed copy of the Confidential and Proprietary Statement is retained in your employee file.

Employee Handbook Acknowledgement

This Employee Handbook (“Handbook”) contains valuable information about Value Tool & Engineering, Inc. (“the Company”).

I understand that the purpose of this Handbook is to inform me of the Company’s policies and that it is not a contract of employment. Nothing in this Handbook provides any entitlement to me or to any Company Employee, nor is it intended to create contractual obligations of any kind. I also understand that I should consult my Manager or Human Resources regarding any questions not answered in the Handbook.

I understand and acknowledge I have entered into my employment relationship with the Company voluntarily and there is no specified length of employment. I understand that my first 90 days of employment are probationary. **Accordingly, either I or the Company can terminate the relationship at will, with or without cause, at any time, so long as there is not violation of applicable federal or state law.**

I understand that this Handbook and the policies and procedures contained herein supersede any and all prior practices, oral or written representations, or statements regarding the terms and conditions of employment with the Company.

Except for employment at-will status, I understand that the Company has the right to revise, supplement or rescind any provisions, policies, procedures or benefits described in the Handbook at any time, with or without notice, and that I will be bound by any such changes. Only the President of the Company has the ability to adopt any revisions to the policies in this Handbook.

My signature indicates that I have received a copy of the Handbook on the date below. I understand that I am expected to read it completely and expected to abide by all policies and procedures in this Handbook, as well as all other policies and procedures of the Company.

A signed copy of the Employee Handbook Acknowledgement is retained in your employee file.