



HOURLY ASSOCIATE HANDBOOK 2019



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WELCOME TO NIFCO

We at Nifco would like to take this opportunity to welcome you to the Nifco team. We are happy to have you involved in our business both personally and as a team member. Treating each other with trust and respect is our human relation's philosophy and to respect the dignity and worth of the individual emphasizes the working relationship we strive to maintain. We hope you will enjoy working here and hope that you become a dedicated team member.

Together we will pursue excellence in everything we do.

Mission Statement

To be recognized by our customers as the leader in design, manufacturing, and supply of plastic automotive components.

1. Facing Challenges

All Nifco associates should have a spirit of innovation to boldly face the challenge of new work.

2. Focused on Profits

Only profitable enterprises can improve their employees' well-being, give returns to shareholders and contribute to the overall benefit of society.

3. Guiding Management Principles

A Highly Efficient Group

We have been able to assure the continuance of the company and the growth of Nifco by producing outstanding results with a highly efficient team of people who hone their talents together.

Small Beginnings Lead to Greater Things

When running a business, it is necessary to think boldly but to proceed step-by-step in a sure and accurate way, considering all the circumstances.

Economy and Thrift

Each economy and saving adds up and gradually becomes a significant asset of the company.

4. Unending Creativity

To ensure Nifco's continued growth, it is necessary for all members of Nifco to do work that is replete with creativity.

5. Customer Oriented

The key to the development of the company has been the ability to identify our customer's requirements and quickly respond to them.

6. Nifco Moves from a Domestic Company to a Global Company

Nifco aims to transform itself from the market leader in Japan, the U.S. or Asia and become the market leader in the world by harnessing the power of the whole of the Nifco Group.

7. Communication

Open-Door Policy

The creation of a healthy company depends on an open working environment in which each member can freely express their opinions.

Global Communication

As globalization of the Nifco Group proceeds, we must make special efforts to be mindful of foreign cultures, aim for mutual understanding and take care to communicate more closely than ever.

8. The Nifco Mindset

Personal Growth

Every member of Nifco should continuously strive to improve his or her skills and to aggressively face challenges by tackling them in a creative way.

ABOUT THIS HANDBOOK

The handbook is intended to serve as a medium of communication to inform hourly Associates of approved policies and procedures. It is not intended to constitute a contract of employment with Nifco, nor a full and complete description of the rules of eligibility or the terms and conditions of any benefit plan or program sponsored by the Company.

If you have any questions concerning the subjects discussed in the Handbook, please contact Human Resources. The benefits and procedures set out in the Handbook are those existing as of this date and may be changed from time to time as deemed necessary by the Company, in its sole discretion.

This Handbook is intended to answer questions on policies but is by no means inclusive of all situations that may arise.

EMPLOYMENT-AT-WILL POLICY

Employment at Nifco is on an at-will basis and can be terminated by either the employee or Nifco at any time for any reason. No Company official has the authority to enter into an agreement for employment for any specified period or to make any agreement that alters the employment-at-will relationship, except by a written agreement signed by the President of the Company.

NIFCO ASSOCIATES

The men and women of Nifco are of widely different backgrounds, interests and abilities. The Company is committed to respect the dignity and worth of everyone.

It is the people of Nifco who make it a successful, progressive enterprise. Their ingenuity and dedication have borne countless new ideas, which, through their training and skills, have combined to create unique products and methods of manufacturing for our customers.

The breadth of ideas and unusual depth of experience and skill of the men and women of the Nifco family have enabled the business of the Company to grow and broaden.

The competitive advantage which Nifco has with its customers is made possible because our customers can depend upon us. Our customers do not have to worry about union-called strikes or work stoppages. Our customers require dependability. It is logical to assume that they choose a source for their components which will always be reliable and not subject to interruption of services.

We have procedures which enable you to discuss problems about any decision that affects or is related to your job. We also provide procedures which enable you to appeal decisions which you do not feel are correct.

Federal law guarantees you the right to oppose any unionizing attempts and it guarantees you protection from any union threat or harassment. Please do not let anyone talk you into signing any card or any document unless you are ready to turn over control of certain aspects of your future to outsiders and strangers who want to tax your paychecks and want you to pay them for empty promises. Please help to keep your Company union free. It is the best way for us to succeed and to compete in a volatile changing marketplace.

NIFCO QUALITY POLICY

All Nifco associates are responsible for maintaining the Quality of our products and processes by:

- **Making Quality one of the most important items on management.**
- **Providing parts that will satisfy the customer by having a good quality management system operation.**
- **Achieving “Jikotei Kanketsu” from Sales, Development, Production and Shipping.**

Nifco Quality Slogan

“Quality in Everything We Do”

WORK WEEK AND HOURS OF WORK

1. The work week is defined as Sunday (12:00 am) through Saturday (11:59 pm).
2. 12 consecutive hours, 10 consecutive hours, or 8 consecutive hours will constitute a regular workday depending on your normal specified work area and facility.
3. Associates paid on an hourly basis will receive a minimum of 4 hours at their base hourly rate when either called in or reporting to work as scheduled and find that work is not available. If your Supervisor knows in advance work will not be available for the shift and is unable to contact you by phone due to insufficient or incorrect information provided by you, the minimum of 4 hours pay will not be paid. A minimum of 4 hours will also not be paid if the reason work is not available is due to an act of God beyond Nifco's control. This also applies to a failure to check the Nifco weather line during bad weather days.
4. Office personnel are required to work during core hours (Monday through Friday 8am-5pm) unless prior arrangements have been made with your Supervisor. Arriving late or leaving early will be noted by your Supervisor and may lead to disciplinary action up to and including discharge if a problem continues.
5. Additional times may be required by Management (physical inventory, scheduled overtime, etc.)

PAY DAYS / DIRECT DEPOSIT

Upon consent, Associates may be paid by direct deposit. This means that regular pay will be electronically deposited into those Associates' accounts at a bank or other financial institution. HR can provide a list of financial institutions that provide accounts without fees. **Paystubs are available at the following website: <https://paystatements.adp.com>. During registration, a pass code must be entered. The code is Nifco-1111.**

The Company is required to deduct, where applicable, federal, state, local and school district withholding taxes, Social Security and Medicare Taxes and garnishments from an Associate's pay. The group health insurance premium will be deducted, when authorized by the Associate. Any requests for adjustments in pay must be made to your immediate Supervisor within a 2 week period before the distribution of payroll for the following pay period.

NON-EXEMPT EMPLOYEES & RECORDING YOUR HOURS OF WORK

Non-exempt Associates may be paid a salary or on an hourly basis. Regardless of hourly or salaried, all non-exempt Associates must accurately record and report all hours worked each day and each week.

Each non-exempt Associate must clock in when they begin work and clock out before they leave. Associates must also clock in and out for unpaid lunches when leaving the premises. Any errors are to be immediately reported to your Supervisor. The Supervisor is responsible for making all corrections. If errors are not promptly corrected by the Supervisor, it is the Associate's responsibility to report the issue to Human Resources. Each Associate must use his/her own swipe badge **or pin number**. Depending on your location, fingerprint scanning will be used for identifying the Associate and to utilize the time clock.

Time clocks usually will not allow an Associate to clock in more than 12 minutes before the start of their scheduled shift. Supervisors, however, have the ability to override the time clock system if they require an Associate to start work early. Unless you are authorized by your Supervisor, do not start work early, finish work late, work during a meal break or perform any other extra or overtime work. Associates, however, will be paid for **all** work time, whether approved by a Supervisor or not.

Associates are prohibited from performing any "off-the-clock" work. "Off-the-clock" work means work you may perform but fail to report on your timecard. Any employee who fails to report, or inaccurately reports, any hours worked will be subject to disciplinary action, up to and including discharge.

It is a violation of the Company's policy for any employee to falsify a timecard, or to alter another employee's timecard. It is also a serious violation of Company policy for any employee or manager to instruct another employee to incorrectly or falsely report hours worked or alter another employee's timecard to under or over report hours worked. If any manager or employee instructs you to (1) incorrectly or falsely under or over report your hours worked, or (2) alter another employee's time records to inaccurately or falsely report that employee's hours worked, you should report it immediately to Human Resources.

EXEMPT EMPLOYEES

Hourly Associates are almost always classified as non-exempt. If you are classified as an exempt employee, you will receive a salary which is intended to compensate you for all hours you may work for the Company. This salary will be established at the time of hire or when you become classified as an exempt employee. While it may become subject to review from time to time at the Company's discretion, such as during salary reviews, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

The Company is committed to compensating all employees properly. Subject to certain exceptions, an exempt employee will receive his or her full salary for any week in which that employee performs work. Except for normal taxes, benefits, and voluntary contributions, deductions only may be made when an exempt employee is:

- Absent from work for one or more full days for personal reasons, other than sickness or disability;
- Absent from work for one or more full days as a result of sickness or disability (including work related accidents);
- Called for jury duty, attendance as a witness, or temporary military leave to the extent that the employee is compensated for such time away from work (i.e. jury fees, witness fees, or military pay);
- Suspended for violation of a safety rule of major significance;
- Suspended for one or more full days for a violation of a written workplace policy or rule of conduct;
- In the initial or terminal week of employment (proportionate to the number of days not worked in such week); or
- On unpaid leave under the Family and Medical Leave Act, if applicable.

The Company prohibits other deductions from an exempt employee's salary.

The Company wants employees to be aware of this policy and that the Company does not allow improper deductions. If you feel that pay has been improperly deducted from your salary, please immediately notify Human Resources or Payroll.

CORRECTING PROBLEMS WITH YOUR PAY

If you have questions about deductions from your pay or you believe you have been subject to any improper deductions or your pay does not accurately reflect your hours worked, please immediately contact Human Resources or Payroll. They will investigate the deduction and if made in error, you will receive a full reimbursement of the amount in your next paycheck. The Company will also take reasonable steps to ensure that improper deductions will not be made in the future.

If you feel you have not received a satisfactory response within 5 business days after reporting the incident, please immediately contact the President of Nifco at 614-836-3808.

In addition, the Company will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the Company's investigation of such reports. Any form of retaliation in violation of this policy will result in disciplinary action, up to and including discharge.

SHIFT DIFFERENTIAL

Hourly Associates working second or third shift will be paid a shift differential of \$.50/hour.

OVERTIME

Exempt employees are not eligible for overtime.

Salaried and hourly non-exempt employees are eligible for overtime. When overtime becomes necessary, Associates will be compensated at one and one-half times their regular rate for all hours actually worked over forty. The regular rate will be either the employee's hourly rate plus any shift differential or, if salaried, then the employee's salary divided by the total hours worked each week. The Associate's immediate Supervisor must schedule and approve all overtime.

Mandatory overtime will be announced 2 business days in advance. Associates who work on a Nifco scheduled holiday will be paid at a double time rate plus Holiday Pay.

Associates will be permitted a 10 minute paid rest period every 2 to 4 hours, as indicated below. The Supervisor will schedule these breaks with appropriate regard to the workload. Breaks must be taken in the lunchroom or a similarly designated non-work area on Company premises.

Shift	8 Hour Shift	10 Hour Shift	12 Hour Shift
Lunch	30 min. unpaid lunch	20 min. paid lunch	20 min. paid lunch
Breaks	10 min. break during first half of shift	10 min. break after 2 hours	10 min. break after 2 hours
	10 min. break during last half of shift	10 min. break after 2 additional hours	10 min. break after 2 additional hours
		10 min. break after 2 hours after lunch	10 min. break after 2 hours after lunch
			10 min. break after 2 additional hours

GARNISHMENT OF WAGES

Associates are expected to discharge their financial obligations properly and promptly, so that creditors will not have to ask for the Company's assistance in collecting unpaid amounts owed to them. If a garnishment or similar proceedings are instituted against an Associate, the Company will follow all applicable law. To the extent permitted by law, any collection costs incurred will be deducted from the Associate's wages, combined with any disciplinary action that would be appropriate for the circumstance.

PERFORMANCE REVIEWS

Each Associate's performance will be reviewed periodically by their Supervisor. Supervisors strive to review each hourly Associate prior to the end of January. Either you or your Supervisor can request a review at any time. Reviews are designed to evaluate an Associate's job performance and to provide Associates with an opportunity to comment on these areas and discuss their career goals at Nifco.

PROMOTIONS AND TRANSFERS

The primary considerations for filling any position will be based on multiple factors, including but not limited to experience, education, ability, job skills, attendance and seniority. Not all vacancies will be filled from internal sources.

The employee must have been in their current position for 6 months before bidding on a vacancy. Once awarded the position, he/she must remain in that position for at least 6 months before bidding again. The 6-month rule may be waived at management's discretion in extraordinary circumstances.

There are times, due to production requirements, that it is necessary to staff shifts by methods other than voluntary means or transfers. Whenever a voluntary change is not available, the least senior qualified Associate will be required to transfer in order to maintain the proper skill balance necessary on any shift.

Requests for transfers may be directed to your Supervisor.

TRAINING

The Growth of Nifco depends upon the growth of everyone in the Company. Recognizing that fact, training opportunities are provided through on-the-job training and on-site and off-site training courses that are related to your job or an anticipated job assignment. You are encouraged to contact your Supervisor concerning training opportunities.

HOLIDAYS

The Company recognizes the following 8 standard paid holidays:

New Year's Day

Thanksgiving Day

Memorial Day	Day after Thanksgiving Day
Independence Day	Christmas Day
Labor Day	New Year's Eve

In addition, we celebrate floating holidays (3) to be announced at the beginning of the year. Unless otherwise specified, holidays falling on Saturday will be observed on Friday, and holidays falling on Sunday will be observed on Monday. Associates hired after July 1st will not be eligible for Floating Holiday's. No associate is permitted to carry over a Floating Holiday to the new year.

To be eligible for holiday pay, an Associate must:

1. Have worked a full regularly assigned shift immediately prior to and after the holiday.
2. Not be on layoff or absent under a personal leave of absence.
Exception: If a holiday falls within the first 7 days of a work-related absence, the Associate will be paid for the holiday.

If you are absent on either the regularly scheduled workday before or after the holiday, you may still qualify for holiday pay if your absence was due to any of the following reasons:

1. Jury or Witness duty.
2. Funeral leave.
3. Military duty.

Associates required to work on a Company recognized holiday would be paid their regular holiday pay, plus their regular base pay for all hours worked.

VACATION POLICY

Annual paid time away from work (vacation) is allotted according to the following schedule:

Completed Full Years Of Service	Paid Time away from Work Hours
1-3	80
4-10	120
11-19	160
20+	200

Paid time away from work is awarded and available for use on January 1st.

New Hires: For Associates who have less than one year of service, the following schedule will be used for awarding time on January 1st of the year after being hired.

Month Of Hire	Hours Available for Use After January of Following Year
Jan.-Mar.	80
Apr.-June	60
July-Sept.	40
Oct-Dec	20

Vacation must be taken in a minimum of **four-hour (half day)** increments. Vacation must be awarded before it can be used.

Vacation time that is unused by year-end may be rolled over within the following guidelines:

Rollover – Vacation may be rolled over per the following schedule:

<u>Hours of allowed vacation per year</u>	<u>Rollover allowed</u>	<u>Maximum allowed vacation</u>
40	up to 40	80
60	up to 40	100
80	up to 40	120
120	up to 40	160
160	up to 40	200
200	up to 40	240

Vacation amounts may not exceed those in the “Maximum allowed vacation” column. Vacation time will not be allowed above those limits. It is expected that Associates use vacation for all unpaid shutdowns when work is not available. Under unusual circumstances, vacation may be cashed out only when approved by the Company HR MGR and either the VP or the CFO.

Failure to request rollover of excess vacation by December 31st of each year may cause you to forfeit that vacation per the limits described above.

When an employee chooses to voluntarily terminate their employment with Nifco, any unused vacation/bank hour amounts will only be paid out upon a written minimum two-week notice of resignation. **Failure to return from a leave of absence will also forfeit any vacation payout.** Failure to provide this notice will cause accrued and/or unused vacation amounts to be forfeited. Vacation may also not be taken in lieu of a two-week notice.

Vacation is earned during an approved medical leave of absence (both work related and non-work related), but not during a personal leave of absence.

You are encouraged to discuss your vacation plans with your Supervisor early in the year and Hourly Associates must request vacation at least 24 hours in advance. Approval is not automatic but subject to discretion of Management. Supervisors have the discretion to approve a vacation request even when 24-hours’ notice has not been given, but approval will not offset the occurrence system.

LEAVES OF ABSENCE

When an accident, illness or any other compelling reason requires that you must be absent from work for an extended period, you may apply for a leave of absence. Associate must be employed for 30 days to apply.

At the end of your leave of absence, every effort will be made to reinstate you in a suitable position, if available. However, reinstatement is not guaranteed, unless required by law. The following leaves of absence are available to eligible Associates.

LEAVE UNDER THE FAMILY AND MEDICAL LEAVE ACT

The FMLA requires the Company to provide up to 12 work weeks of unpaid, job-protected leave to eligible employees in a designated 12-month period for certain family and medical reasons: birth of a child; placement of a child for adoption or foster care; care for a spouse, child, or parent who has a serious health condition; a serious health condition that prevents you from performing your job; or certain military family reasons – discussed below.

Eligibility Requirements. You must have worked for the Company for at least 12 months (can be non-consecutive), for at least 1,250 hours over the previous 12 months, and must work at a location where there are 50 or more Company employees within 75 miles. You also must complete certain forms or certifications.

Serious Health Condition Definition. A Serious Health Condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility or continuing treatment by a healthcare provider for a condition that either prevents the employee from performing the functions of his or her job, or prevents a qualified family member from participating in school or other daily activities. The “continuing treatment” requirement may be met by a period of incapacity of more than 3 consecutive full calendar days that also involves: a) in-person treatment 2 or more times with a healthcare provider within 30 days of the first day of incapacity; or b) in-person treatment at least 1 time which results in a regimen of continuing treatment under a healthcare provider’s direction. The first in-person visit to a healthcare provider must take place within 7 days of the first day of incapacity. “Continuing treatment” also includes any incapacity due to pregnancy, a chronic condition, as well as other specified conditions.

Military Family Leave. Eligible employees with a spouse or child in the Armed Forces (regular or reserve) may use their 12 work weeks of FMLA leave for certain “qualifying exigencies” -- when the covered military member is on covered active duty in a foreign country or is called to covered active duty in a foreign country. They may include attending military events, childcare and school arrangements, financial and legal arrangements, attendance at counseling sessions, rest and recuperation, parental care (the “parent” of the military member), or post-deployment reintegration briefings. Additionally, eligible employees who are the spouse, child, parent, or next of kin of a **covered servicemember**, may take **up to 26 work weeks** of leave during a single 12-month period to care for a covered servicemember or covered veteran who has a serious injury or illness incurred in the line of duty and is undergoing medical treatment, recuperation or therapy, is in outpatient status, or is on the temporary disabled retired list.

Employee Responsibilities. When the need for FMLA leave is foreseeable, you must provide at least 30 days’ advance notice to Human Resources. When the need for FMLA leave is not foreseeable, you must provide notice as soon as practicable. You must comply with the Company’s normal call-in procedures, which means reporting an absence before your scheduled start time. You also must provide sufficient information (including timing and duration of leave) so the Company can determine if the leave qualifies under the FMLA. You must tell the Company if the requested leave is for a reason for which FMLA leave was previously taken or certified. If eligible, you will need to have your healthcare provider complete a medical certification form. Generally, you have 15 calendar days (from receipt) to return it. Unless you have a good reason for not returning it within 15 days, FMLA leave may be delayed or denied. The Company, on occasion, may require a second and/or third medical opinion after receiving your medical certification. Additionally, you may be required to provide periodic recertifications to support your need for continued leave.

Company Responsibilities. When you request leave, The Company will inform you whether you are eligible for FMLA leave as well as notify you of your rights and responsibilities. If you are not eligible, you will be provided the reason(s) why. When the Company receives the completed certification from your healthcare provider, it will decide whether the leave will be designated as FMLA-protected leave and the amount of leave counted against your 12 work week (or 26 work week) entitlement. You will be notified of the Company’s designation decision.

Use Of FMLA Leave. Except for “covered servicemembers” leave, the Company uses a rolling 12-month period (measured backward from the date an employee uses any FMLA leave) for calculating FMLA leave. You do not have to take FMLA leave in one continuous block. When medically necessary, and in certain situations, you may take it on an intermittent or reduced schedule basis. You must make reasonable efforts to schedule leave for planned medical treatment, so it does not unduly disrupt Company operations. You cannot utilize FMLA leave to work at other jobs (for yourself or others) without prior written authorization from Company management. Violation of that rule will result in termination. The FMLA does not protect employees who fraudulently obtain FMLA leave.

Substitution Of Paid Time Off Hours. You must use 40 hours or up to ½ of PTO balance (whichever is greater) while taking FMLA leave. In doing so, you must comply with the Company’s vacation and PTO policies. FMLA leave also will run concurrent with applicable workers’ compensation absences or absences covered under any applicable short term disability (STD) and long term disability (LTD) policies.

Employee Spouses. An employee’s entitlement to a Family Leave for the birth or placement (adoption/foster care) of a child ends 12 months after the date of the birth or placement. The maximum total amount of time available to both employee spouses for a Family Leave for the birth, care after birth, or placement of a child or care after placement (set forth above) or for the care of the employee’s parent (not parent-in-law) with a Serious Health Condition is a combined 12 work weeks during the 12-month period as defined above, if both are employed by the Company. Where the employee spouses both use a portion of the total 12 work week FMLA leave entitlement for the reasons set forth above, each employee spouse may use the difference between the amount he or she has taken individually and the 12 work weeks of FMLA leave for other applicable reasons.

The aggregate number of work weeks of leave to which employee spouses may be entitled for covered servicemember leave is limited to 26 work weeks during the single 12-month period if the leave is for covered servicemember leave or a combination of covered servicemember leave and any other FMLA-qualifying leave. If the leave taken by the employee spouses includes leave for the birth or placement of a child or to take care of a parent (as described above), that particular type of leave is limited to a combined 12 work weeks.

Benefits. While on FMLA leave, you remain covered by any applicable group health plan on the same basis as if you had continued to work. To maintain coverage, you must make the same premium contributions as you would if you continued to work. Failure to do so may result in termination of coverage. If there is no weekly payroll available, then upon return to work, employees will be responsible to reimburse any employee-portion of the insurance premiums paid by the Company during the unpaid FMLA leave. In certain circumstances, you may be liable for any health insurance premiums paid by the Company during an unpaid FMLA leave if you fail to return to work after taking FMLA leave. Unused and applicable employment benefits not exhausted during the FMLA leave will not be lost.

Return From FMLA Leave. With certain exceptions, upon return from FMLA leave, you will be restored to your current or equivalent position with equivalent pay, benefits, and other terms and conditions of employment. If your (non-intermittent/reduced leave) FMLA leave was based on your own Serious Health Condition, you will be required to provide a Fitness-For-Duty Certification (“FDC”) from your

healthcare provider that states you are able to resume work. That FDC also will address your ability to perform the essential functions of your job. Failure to provide that FDC may result in termination. Your right to reinstatement also may be affected if you are determined to be a “key employee” – as defined by the FMLA. You will be notified of that designation when you request FMLA leave or when it starts – if earlier.

Purpose Of Policy. The Company recognizes the right of eligible employees to take leave as provided by the FMLA. The Company will not interfere with, restrain, or deny the exercise of any right provided by the FMLA. It also will not take any adverse action against any employee because he/she opposes any practice made unlawful by the FMLA or is involved in any FMLA proceeding. Enforcement procedures include complaints to the U.S. Department of Labor and civil court actions.

PERSONAL LEAVE OF ABSENCE

At times, critical individual or family needs may arise that are not covered by the types of leaves mentioned above. In such cases an unpaid personal leave may be granted to an Associate. A personal leave is granted with the approval of the immediate Supervisor, Department manager, and the General Manager for the Department, taking into consideration the Associate’s work record and business needs. All vacation time and bank hours must be exhausted first. Associates should apply for a personal leave in writing at least 30 days prior to the first day of leave. The duration of personal leave may not exceed 4 calendar weeks (not to exceed 30 calendar days). Once an approved personal leave has been granted and taken, the Associate may not apply for another personal leave for 12 months.

Associates on Personal Leave of Absence or any form of medical leave, including FMLA leave, are prohibited from working another job at any time during their leave. This includes weekends and any other non-working hours. Violation of this policy may result in the cancellation of your leave and/or disciplinary action up to and including termination of employment.

MILITARY LEAVE

Associates are eligible for leave of absence to serve in the Uniformed Services of the United States or in the National Guard. An excused absence and reinstatement will be granted for such service in accordance with applicable law. Compensation for those serving in the Reserve or National Guard will be for the difference between Nifco base earnings lost due to service and earnings for temporary active duty, not to exceed 2 weeks in any rolling 12-month period.

FUNERAL LEAVE

In case of death of an immediate family member, you will be granted a maximum of 3 days off with pay up to a maximum of 24 hours pay.

Members of the immediate family are defined as your legal spouse, children, parent, brother or sister, grandchildren, mother-in-law, or father-in-law, son-in-law, or daughter-in-law, grandparent, spouse’s grandparent, stepparent, stepchild, brother-in-law, sister-in-law, aunt and uncle.

Satisfactory proof of death and proof of relationship must be submitted to the Company.

JURY DUTY

Full time Nifco Associates serving on jury duty or as a subpoenaed non-party witness will be paid the difference between their current base rate for the time missed from work and their daily court pay for the extent of the absence. A statement from the court must verify the extent of the absence.

It is expected that the time of absence will be limited to court time, plus necessary travel time to and from court. The Supervisor should be notified as far in advance as possible, so that work schedules and pay can be arranged.

VOTING TIME OFF

In the event that operating requirements preclude your voting before or after working hours, the necessary time off with pay will be allowed up to a maximum of 4 hours for voting purposes in general elections. Advance arrangements for such time off must be made with your Supervisor.

Reimbursement will be made to Associates for all reasonable and necessary business expenses incurred on behalf of Nifco. Expenses must be in keeping with Company guidelines and generally accepted rules of moderation and common sense. Each Associate must seek the opinion and approval from their Supervisor for most expenses.

TUITION REFUND PLAN

Your progress and personal welfare are valued at Nifco; therefore, a Tuition Refund Plan has been developed, for regular, **active**, full-time Associates, to encourage your continued education. At the Company's discretion, under this plan you may be eligible for a refund of your entire tuition costs up to \$5,000 **per year** for undergraduate and **graduate** degrees (Human Resources department must approve the degree program which must be of benefit to Nifco) and other education matters. Refunds are made for previously approved courses in which you received a grade of C or better, or a "pass" in a Pass/Fail system. **Refund request must be submitted within 90 days of the end of the course. Associates must have begun employment with Nifco for at least 6 months prior to the start of the class.**

If your employment with the Company terminates within 12 months after your last reimbursement by the Company, you must repay 100% of the last reimbursement.

BANK HOURS

A system has been developed to reward those Associates who have maintained good attendance. For each calendar month in which an hourly Associate has perfect attendance and is not assessed for absenteeism, tardiness, or leaving early, they will be awarded 2 "Bank Hours." These earned Bank Hours are extra paid vacation and/or personal hours that can be used at the discretion of the hourly Associate with prior approval of their Supervisor. Associates can earn up to 24 Bank Hours per year, which can be used in the following manner:

- Bank Hours can be used, in increments of whole hours only, to schedule extra days or partial days off with pay. Bank Hours are to be used on a one for one basis of one work hour equals one bank hour.
- Bank Hours may be used to make up the difference of time for leaving early, if approved by your Supervisor. You must have enough bank hours (or vacation) to make up the difference of your shift hours. When using vacation to make up the shift difference, they must be used in 4 hour increments.
- For Bank Hours to be used, they must be approved by your Supervisor 24 hours in advance of the requested time. Failure to give 24 hours' notice will result in forfeiture of bank hours for the current month. Bank hours can be used even if an Associate currently has occurrences.
- Up to 24 Bank Hours can be carried over from one calendar year to the next. If an Associate accumulates 48 Bank Hours, he or she may choose to take 24 hours off, or may be paid out for the 24 hours, since only 24 hours can be carried over from year to year.
- Bank hours are not awarded during any month in which a Personal leave occurs. Employees may earn prorated Bank Hours for working partial months if the absence is due to FMLA (assuming there are no other absence types).
- Bank Hours cannot be taken before they are earned.

SECTION C – RULES OF CONDUCT

EQUAL OPPORTUNITY

Nifco is an equal opportunity employer and will treat all applicants and Associates equally according to their individual qualifications, ability, experience and other employment standards.

There is no discrimination because of race, religion, sex, age, color, national origin, sexual orientation, gender identity, veteran status, disability, ancestry, marital status, genetic information, or any other protected characteristic in accordance with applicable law. These factors will not influence hiring, promotion, training, transfers, layoffs, discharges, compensation, benefits or any other personnel decision or term or condition of employment.

ADA (AMERICANS WITH DISABILITIES ACT)

The Company is committed to complying with the Americans with Disabilities Act ("ADA"). As such, the Company will provide reasonable accommodations to the known physical or mental disabilities of a qualified and disabled applicant or employee, unless the accommodation would cause an undue hardship on the operations of the Company. Because need for an accommodation is often not apparent, it is the responsibility of the Associate to request accommodation. Requests should be made to the Manager of Human Resources. Associates may be asked to provide medical evidence to support the need for the requested accommodation.

Nifco has a strong commitment to health, safety and welfare of its Associates, their families and its customers. In the interest of maintaining a safe and secure workplace, our goal is to eliminate the hazards to health and job safety created by alcohol and drug abuse.

Nifco's Drug and Alcohol policy prohibits the use, sale, purchase, transfer and possession of drugs and/or alcohol in the workplace or any situation that affects the workplace or the company. Employees are also prohibited from working while under the influence of illegal drugs or alcohol. Under the influence means a detectable amount in the employee's body. All Associates are expected to strictly follow the rules set forth in the Nifco Drug and Alcohol Policy.

HARASSMENT PREVENTION & REPORTING

The Company wants to provide the best possible working environment for each employee. This is why the Company forbids *any form* of harassment of employees because of the employee's race, religion, color, sex, sexual orientation, gender identity, age (forty and over), national origin, ancestry, disability (as defined by applicable law), veteran's status, marital status, genetic information, or any other status or characteristic protected by applicable state or local law. In severe cases, harassment is illegal. Whether or not the harassment violates any law, however, it is not permitted at work. Violation of this policy may lead to discipline, up to and including immediate termination. For this reason, **all employees must take this harassment prevention and reporting policy seriously.**

What is "Harassment"?

Sexual Harassment. You have probably heard about sexual harassment. This is harassment that occurs *because of* a person's sex/gender or that is sex-based behavior. It is also sexual harassment for anyone in a position of authority to tie hiring, promotion, termination or any other condition of employment to a request or demand for sexual favors. Although having a consensual romantic relationship with another Company employee is not harassment, harassment may occur as a result of the relationship if either person in the relationship engages in conduct in the workplace that is unwelcome.

Other Forms of Harassment. Harassment may also occur *because of* a person's race, religion, color, sex, sexual orientation, gender identity, age, national origin, disability (as defined by applicable law), veteran status, genetic information, or any other status or characteristic protected by applicable state or local law.

Harassment can be something that is either done (conduct) or said (comments). Conduct or comments become harassment, however, only when they are inappropriate and offensive to others. Conduct or comments may be harassment even though the person doing or saying them thinks he/she is making a "joke," or has the permission of all others involved, if others involved do not, in fact, welcome the conduct or comments. Beware: people do not always show when they are offended. If you are uncertain whether your conduct or comments will be offensive, the best practice is: if in doubt, don't do it or say it.

Examples of Harassment

Examples of harassment include:

- *Job Benefits* - offering special benefits or giving preferential treatment in exchange for sexual favors.
- *Job Detriments* - getting back at someone who turns down sexual advances.
- *Physical* - unwanted physical contact, including touching of another person's body, or interfering with their movements around the workplace.
- *Visual* - leering, sexual gestures, displaying sexually suggestive or racially demeaning objects, pictures, cartoons, calendars, magazines, posters, or computer images.
- *Verbal* - sexual, or age, ethnic, racial or disability oriented, slurs, off-color jokes, threats, suggestive or insulting sounds, referring to others as "babes," "dolls," "honey," "boy," "old man," the "N-word" or slurs of this type.
- *Sexual Advances or Propositions*, including repeated, unwanted requests for a date.
- *Unwanted Communications* - obscene, sexually or racially degrading computer images, phone calls, e-mail or voice mail messages, suggestive, obscene, or racially derogatory letters, notes or invitations.

- *Derogatory "Jokes"* - derogatory "jokes," comments, or "making fun" of a person's race, age, religion, disability, or other protected category or status.
- *Abusive Comments* – unwelcome and offensive comments about a person's physical appearance or clothing.
- *Same Sex Harassment* - harassment includes sexual harassment between people of the same sex.

These examples are only a partial list of conduct or comments that may be harassment. If you have any questions about what behavior constitutes harassment, please contact a Human Resources Manager.

What You Should Do If You See or Experience Harassment

If you see or experience harassment, you should immediately report the harassment. **Do not wait** until you "cannot stand" the harassment any longer. **Do not wait** until the harassment affects your job or your work environment. Our policy is to **stop** any harassment **before** it affects the employment or work environment of any employee. As with any other violation of Company policy, all employees are expected to report any harassment that they observe, whether or not the harassment is directed at them. The full cooperation of **everyone** is needed to keep our workplace free of sexual or other types of harassment.

You Will Not Be Penalized For Reporting Harassment

The Company is committed to providing a supportive environment for any employee who reports sexual or any other type of harassment. **No one**, including your supervisor, will be permitted to retaliate against you, or get back at you, for truthfully reporting sexual or any other type of harassment **regardless of who the "harasser" or "victim" may be**. If you believe you may have suffered retaliation as a result of reporting harassment, you should immediately report this to a Human Resources Manager, the Director of Human Resources, the Chief Financial Officer, or the President of Nifco.

Who Should Receive Reports of Harassment

You should report harassment to a Human Resources Manager at your facility. If for any reason you cannot reach a Human Resources Manager, or you are uncomfortable making a report to a Human Resources Manager, you may report the harassment to the Director of Human Resources, the Chief Financial Officer, or the President of Nifco.

If harassment reoccurs, after you have reported the harassment, it is especially important that this repeated harassment **again** be reported to a Human Resources Manager, the Director of Human Resources, the Chief Financial Officer, or the President of Nifco. The Company is determined that any harassment **be stopped**, and the Company may have no way of knowing that it is continuing, despite our efforts to stop it, without your report of any repeated harassment.

What We Will Do About Harassment

All reports of sexual harassment, or any other type of harassment, will be promptly investigated. Affected employees will be notified of the results of this investigation as soon as possible. In the event that harassment is found to have occurred, appropriate disciplinary action, up to and including immediate termination, will be taken against any employee found to have violated this policy. Even if there is insufficient evidence to prove that harassment occurred, the Company will take action to protect employees against any reoccurrence of the reported harassment, as well as to protect against any retaliation for reporting the harassment. *You do not have to prove anything* in order to be protected by this Policy, and retaliation against anyone who makes a good faith report or who participates in an investigation is strictly prohibited.

SMOKE AND TOBACCO – FREE WORKPLACE

Nifco prohibits smoking and any kind of tobacco use on Company property except in designated areas. The Company believes this policy to be in the best interest of all Associates.

ATTENDANCE POLICY

Our attendance policy is intended to encourage good attendance. Associates are expected to report for work on time each scheduled workday. Absenteeism, tardiness, and early leaves are expensive, disruptive and place an unfair burden on the Company and fellow Associates. We understand, however, that in this busy and complicated life, we all need some flexibility in meeting our responsibilities with our families and other life situations. Therefore, the Company provides seven (7.0) unpaid occurrence days for each hourly Associate's use. When you are going to be absent or tardy, you must call your Supervisor and indicate the **reason and duration** of your absence **before the start of your shift** and as far in advance of your regularly scheduled shift as possible.

It is your responsibility to ensure that proper and timely notification is given, and failure to timely and properly notify your Supervisor will result in occurrences as indicated below.

Tardiness includes not being at your work station ready to work when your scheduled work period begins, leaving work early and not returning from breaks on a timely basis.

Attendance will be monitored on a “revolving year” basis beginning on the date of the first occurrence.

OCCURRENCES

Occurrences are as follows:

Absent full day	1 occurrence
Complete less than ½ shift	1 occurrence
Complete more than ½ shift	½ occurrence
Failure to timely notify Supervisor (at least 2 hours prior to start of shift)	½ occurrence
No call/No show	2 occurrences
No call/No show (2 consecutive days)	Termination

If all prerequisites are met, absenteeism for the following reasons will NOT be considered an “Occurrence”:

- Approved vacation
- Approved leave of absence
- Holiday
- Jury/Witness duty
- Absences due to disciplinary action
- Bad weather day (as designated by management)
- Bank hours (if scheduled 24 hours in advance)

All other time away from work will be considered an “occurrence”. If you are away from work for up to 3 consecutive days and a doctor’s note is submitted, only one occurrence will be recorded. However, for any absence lasting more than 3 consecutive days that is not FMLA qualifying, another occurrence point will be recorded for each day missed over 3.

Disciplinary Action

- We strive to issue a written notification at the 3rd occurrence.
- We strive to issue a second notification at the 5th occurrence and schedule a meeting to discuss the mounting occurrences.
- We strive to issue a final warning at the 7th occurrence.
- Termination will result if you exceed seven (7.0) occurrences. Example: 7.5 occurrence’s.

Accumulating & Removing Occurrences

An occurrence will be removed from an Associate’s attendance record at Midnight on the first anniversary date of that occurrence.

CONFIDENTIALITY OF SALARY/WAGE INFORMATION

Associates who have access to Company payroll information as part of their job must keep the information of co-workers confidential.

CONFIDENTIALITY OF COMPANY INFORMATION

Associates must not disclose confidential information, knowledge or data. This includes, but is not limited to, the following:

- ◆ Processes; know-how
- ◆ Designs; drawings
- ◆ Diagrams; formulas
- ◆ Accounting and/or financial data
- ◆ Pricing; marketing data
- ◆ Business plans and strategies
- ◆ Negotiations and contracts
- ◆ Research, inventions and discoveries
- ◆ Customer and vendor lists

Disclosure of confidential/proprietary information will result in disciplinary action up to and including discharge and may result in legal action against the offending Associate.

LEAVING COMPANY PREMISES

If you intend to leave the premises you must clock in and out and inform your Supervisor before leaving.

PHOTOCOPYING OF COPYRIGHT MATERIAL

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproduction of copyright material. Making copies in violation of the copyright law is strictly prohibited and will result in disciplinary action and/or monetary liability. Please check with the Human Resources Manager before copying an entire publication or before copying any printed materials for regular and systematic distribution. When appropriate, the Company can request permission to copy materials from the publisher.

SOFTWARE

Associates may not install software from the outside or take software off any computer. E-mail is for business purposes only. Internet is to be used for business purposes only. For further guidelines, please refer to the Software Policy.

VISITORS

All visitors must register with the receptionist upon arrival at the facility. Visitors will be required to sign a visitor confidentiality statement. Personal and family visits during regular working hours will be permitted in the event of an emergency or with approval by the Supervisor.

SOLICITATIONS

In the interest of maintaining a proper business environment and preventing interference with work and inconvenience to others, Associates may not distribute literature or printed materials for any groups or organizations, including charitable organizations, in work areas. Associates may also not solicit other Associates during the work time of either the Associate(s) engaging in such activity or the Associate(s) at whom the activity is directed.

Associates may not sell merchandise on Nifco premises at any time.

Non-Associates are prohibited from distributing material or soliciting Associates on Nifco premises at any time.

PERSONAL PHONE CALLS

Personal phone calls are disruptive to the Company's business and make it difficult for business communications to be completed; therefore, the Company discourages incoming and outgoing personal calls. If a personal call must be made, it must be done during breaks, lunch periods, or before/after work at the telephone station provided in the break area. Only in emergency situations will a personal call be made or received during working hours. All non-emergency phone calls will be handled through "messages," distributed to the appropriate Supervisor.

ELECTRONIC COMMUNICATION

Nifco will provide Associates, on an as needed basis, with electronic communication tools (for example, computers, internet and intranet access, electronic mail (E-mail), voice mail systems, mobile computing devices, handheld computers or personal digital equipment, laptops, pagers, or any other Nifco device used for electronic communications) for use as a business tool. If you are issued any such device, it is intended to be used for business purposes in accordance with Nifco policies, procedures, and applicable laws. Unauthorized access to electronic communication tools by any user or entity is a violation of Company policy and may be in violation of federal and/or state law. Disciplinary action may be taken, up to and including termination of employment. The Company may access and monitor the use of these devices at its discretion.

WIRELESS TECHNOLOGIES

As Nifco increases its dependence on cellular phones and other wireless technologies, the safe use of these devices is more important than ever. The following policy will cover cell phones, pagers and beepers.

Associates must remember that while driving a vehicle on behalf of Nifco their first responsibility is to drive safely. Associates are to practice defensive driving and must not engage in any conduct that endangers themselves or others.

Associates may not use personal portable/cellular telephones, pagers and beepers during working hours, but they may be used during lunchtime or breaks. Permission for exceptions must be submitted in writing to department management and forwarded for final approval by the Corporate Human Resources manager.

FIREARMS & WEAPONS

To ensure a safe workplace, the Company prohibits anyone from carrying, concealing or brandishing weapons on Company premises outside of personal vehicles, including its buildings and parking lots. In addition, all employees are prohibited from carrying any concealed deadly weapon while inside a Company vehicle. This policy does not prevent anyone with a valid concealed carry license from storing a firearm in his or her own vehicle while it is parked on the Company's premises.

COMPLAINT PROCEDURE

It is the policy of the Company to provide Associates with a procedure for bringing work-related problems to the attention of Management and to resolve such problems at the lowest possible organizational level.

A complaint is defined as an Associate's expressed dissatisfaction concerning conditions of employment or treatment by Management, Supervisors, other Associates or non-Associates. Individual Associates are encouraged to use the Complaint Procedure.

- A. If you have a work-related complaint, promptly bring it to the attention of your Supervisor or Department Manager. If you wish to discuss any situation, in private, with a Human Resources Representative, feel free to contact that person.
- B. If you are not satisfied with your Supervisor or Department Manager's decision, you are encouraged to contact Human Resources for further consideration.
- C. The HR Department will investigate the situation and make a decision regarding the complaint.
- D. If you are unsatisfied with the HR Department's decision, it may be appealed to the President of the Company. This appeal must be done in writing, stating the reason(s) the decision should be changed.
- E. Information concerning an Associate complaint, and investigation of the complaint will be conducted in a confidential manner, to the extent consistent with business necessity and a thorough investigation.
- F. There will be no retaliation for making a complaint or assisting in the investigation of a complaint.
- G. Alleged violations of Nifco's Equal Employment Opportunity or Harassment policies should be reported directly to Human Resources or using the alternative avenues for reporting concerns that are identified in the Harassment Prevention and Reporting policy.

CORRECTIVE ACTION FOR INFRACTION OF COMPANY RULES

Associates should always strive to do the best job possible. To assist Associates in reaching this goal, the Company has established rules of conduct. Because a list of rules cannot cover every situation that may arise, these rules should not be viewed as the only standards by which your behavior or job performance will be evaluated. The types of conduct that may result in disciplinary action, up to and including immediate termination, **include but are not limited to** the following:

- 1. Inefficient or poor performance of job duties/assignments.
- 2. Discourteous or unprofessional treatment of customers or others having business with the Company.
- 3. Insubordination.
- 4. Unauthorized possession, removal or attempt to remove from job sites or company premises any property belonging to the Company, Company employees and customers; Dishonesty.
- 5. Horseplay.
- 6. Fighting; Failure to maintain harmonious relationships with customers or others having business with the Company.

7. Falsification of any Company records or documents or submitting falsified documents to the Company, including but not limited to resumes, applications, doctor's notes, and/or time cards.
8. Misuse or abuse of Company property, including but not limited to using Company accounts, credit cards, supplies, and/or tools for personal use.
9. A violation of the Company's Alcohol/Drug Policy.
10. Failure to maintain clean and neat working areas.
11. Failure to adhere to any Company policies.
12. Failure to adhere to Company and other applicable safety rules and policies.
13. Garnishments for more than one indebtedness.
14. A violation of the Company's Harassment Prevention and Reporting policy.
15. Conduct inconsistent with the Company's Equal Employment Opportunity policy.
16. Neglecting to promptly report damage to Company property.
17. Failure to observe safety rules and common safety practices.
18. Failure to report a work-related injury or accident to a Supervisor or member of Management within 30 minutes of occurrence or as soon as practical.

The manner of discipline for these or other offenses is left to Nifco in its sole discretion. Discipline may range from a verbal warning to immediate termination of employment depending on the circumstances.

The above list of offenses is provided for purposes of illustration only and is not intended to be a complete list of offenses which may result in disciplinary action, up to and including immediate termination.

SECTION D – HEALTH AND SAFETY

GENERAL SAFETY GUIDELINES

The Company strives to provide and maintain safe and healthy working conditions. With that goal in mind, the following rules and practices have been established:

1. The Company will comply with applicable Occupational Safety and Health Administration (OSHA) rules and regulations.
2. The Company will cooperate in a reasonable manner with OSHA reviews and inspections.
3. The Company will comply with applicable state Worker's Compensation laws.
4. The Company maintains first aid supplies and requires all injuries and illnesses be reported immediately to your Supervisor.
5. The Company will furnish safety glasses to every Associate whose work requires them. Prescription glasses can be replaced, at no charge to the Associate, once every 12 months or every 6 months if the prescription changes. Disposable glasses can be replaced, at no charge to the Associate, once every 6 months.
6. Associates must use required safety equipment always while working.
7. Safety rules will be posted where appropriate. These rules are for the protection of the Associates and it is a Supervisory responsibility to see they are followed.
8. Each Supervisor, with the General Manager's approval, has the right to implement additional rules that will help ensure a safe working area.
9. Each Associate is responsible for the safe and proper operation of Company equipment and shall immediately notify their Supervisor of any malfunction of, or damage to, Company equipment or property.
10. Never start or operate any moving equipment unless authorized to do so.
11. Report all defective tools and equipment to your Supervisor.
12. Never operate any lift truck or crane improperly. Forklift training and certification classes are offered to all Associates who are required to operate such a vehicle.
13. Refer to Nifco Safety Programs for details on rules, disciplinary action, audits and the Safety Committee. Please see your Supervisor if you are interested in an active role in plant safety.

14. Associates are required to notify a supervisor or member of management within ½ hour, or, as soon as possible, of any work-related injury.
15. Associates will not be retaliated or discriminated against for reporting accidents, injuries, or illnesses, or filing safety-related complaints.

PLANT PROTECTION/SEARCH POLICY

As a control over materials and tools, and to enhance safety, the Company reserves the right to search all packages, lunch boxes, brief cases, coats, purses, containers, desks, file cabinets, **lockers**, offices or any other item or area on Company property.

CLOTHING & WORK SHIRTS

Hourly Associates will be provided with 5 Nifco work shirts on their hire date and will receive 3 replacement work shirts each anniversary year. Hourly Associates are expected to wear the Nifco work shirts as provided.

Your Supervisor may ask you to change clothing if it is unsafe for working around the machinery. Some examples of unacceptable clothing are listed below:

- Loose or torn clothing can catch and draw you into the machinery.
- Shorts must NOT be shorter than 2 inches above the knee.
- Skirts are not permitted in the factory area; however, skirts are permitted for office personnel.
- When operating machinery, keep your sleeves buttoned down or roll them all the way up. Never wear rings, bracelets or ties.
- Gloves must be worn while performing certain operations as directed by your Supervisor.
- Shoulder length hair (or longer) must be tied back for safety reasons.

DRESS CODE FOR OFFICE ASSOCIATES

Our dress code requires that you dress appropriately for our business environment. Casual business attire is acceptable for office Associates to be comfortable and safe in the workplace. Good judgment is the main guideline to follow. This includes being well groomed, neat and clean (including casual Friday). The Company has adopted a casual business attire dress code for the office Associates. Some guidelines would include:

Monday-Thursday

- Khaki pants, all slacks
- Polo shirts, button down shirts
- Any Company shirts (company store, black short sleeve, white summer shirts, sweat shirts, and long sleeve T-shirts.)
- Open toe shoes (includes all sandals and open toe high heel shoes and slippers) are **not** to be worn in production areas (including the warehouse floor)
- Skirts are acceptable for those who are considered office staff, but they cannot be more than 2 inches above the knee.

Unacceptable dress would include:

- Jeans should only be worn when the Associate is working on the floor or with the approval of the Supervisor based on the job duties being performed or on a casual Friday (see below for Friday)
- Leggings
- Spandex
- Athletic shoes and socks (except on casual Friday)
- Halter tops, tube tops, tank tops
- Workout attire and sweat suits
- T-shirts/Sweatshirts, plain or with slogans including: school, university or commercial products (except on Friday).

Friday

Friday (or the last day of the work week) is considered casual day. Jeans may be worn on this day, but faded or worn jeans are unacceptable. All other “unacceptable dress” from above are applicable.

Associates will be expected to vary their dress to suit the demands of their job on any Friday. If you are conducting business with a customer or a visitor, please dress appropriately. If you have questions about what is acceptable, please see your supervisor for clarification.

EYE PROTECTION

Safety glasses **MUST** always be worn in designated areas. The Company, upon request, will obtain approved prescription safety glasses for you. Please see Human Resources for the proper forms.

HEARING CONSERVATION

Hearing protection is not mandatory. However, earplugs are available upon request. Please see your Supervisor.

SAFETY SHOES

OSHA-approved steel-toed and/or ANSI 75 rating safety shoes are mandatory for working in all manufacturing areas, the tool room and warehouse. The Company will pay the cost of safety shoes up to a maximum as determined by Management, no more than once every 12 months. Associates in non-production jobs must get approval from Human Resources before purchasing safety shoes. See Human Resources for the proper paperwork.

FIRE PROTECTION

Everyone has a personal responsibility and a stake in protecting the plant from fire.

- Learn the location of fire exits, alarm boxes and firefighting equipment.
- Placing equipment in front of, against, or on top of fire apparatus, electrical equipment, valves, etc., is forbidden.
- Firefighting equipment cannot be used for any other purpose.
- Smoking is restricted to designated areas on Nifco property.

HEALTH AND MEDICAL SERVICES

Off-site health and medical services are available for your welfare. Minor medical items for first aid are available on the premises. Locate the first aid kit nearest your work area. When needed, a near-by hospital, clinic, fire department or paramedics will provide emergency care.

HAZARD COMMUNICATION PROGRAM

A Right-To-Know Hazard Communication Program has been established to inform you of the potential dangers of hazardous substances used in the workplace and to instruct you in procedures for safe handling, emergency and first aid care. Warning labels are on containers of potentially dangerous materials. Material Safety Data Sheets, which list hazardous materials, their manufacturer, and safety and health hazards, are available in all buildings.

SECTION E – MISCELLANEOUS**NEW ASSOCIATE TRAINING
OBSERVATION PERIOD**

New Associates shall be regarded as Associates-in-Training until they have completed 90 days of continuous, fulltime employment. Time spent at Nifco, as an employee of a temporary agency will not be counted as a part of the training and observation period.

During the 90-day training and observation period, the Associate's performance will be closely monitored to evaluate the Associate's trainability, work ethic, attendance standards, communication, and teamwork skills. As in any employment-at-will relationship, the Associate or Company may terminate the relationship at any time and for any reason. Completion of the training and observation period does not alter the employment-at-will relationship.

DEFINITION OF SENIORITY

Seniority is defined as an Associate's length of continuous service with the Company from his or her most recent date of hire.

Full-time Associates hired on the same day shall be listed alphabetically on the Seniority list and shall be deemed to hold seniority in that order.

Layoffs of more than 5 working days will be considered as indefinite layoffs. Associates rehired after 90 calendar days will be considered new hires. In order to maintain the Company's quality standards, Associates with the least level of applicable skills, as determined by the Company, in its sole discretion, will be laid off first. If skill level is deemed to be equal, departmental seniority will be used to determine which Associates will be laid off, with the least senior of the group being laid off first.

QUALIFYING FOR SPECIAL WORK

The selection of Associates for special circumstances, such as taking inventory, shall be made in accordance with the skill level needed to maintain the Company's quality standard for that circumstance. Selection will start with the most senior Associate possessing the requisite knowledge and skill.

AUTOMOBILE/PARKING

Nifco provides parking for Associates on a first-come, first-serve basis. **Certain parking lots may be designated as permit only lots. Associates parking in these lots without the proper permit will be subject to disciplinary action or risk having their vehicle towed at their own expense.** Parking in front of the entrances, exits, driveways, docks and spaces reserved for disabled visitors and/or Associates is prohibited and may result in disciplinary action and/or towing at the Associate's expense. The Company is not responsible for fire, theft, damage or loss to Associates' vehicles or their contents. It is recommended that car doors be kept locked at all time. Associates are prohibited from parking in visitor parking during core business hours (8 a.m.-5 p.m.).

BULLETIN BOARDS

A variety of notices that affect Associates will be posted on bulletin boards throughout the plant. Included in such postings will be important information on safety, available job openings, policy changes, promotion announcements, monthly birthday list, etc. The bulletin boards are for use only by the Company.

Each Associate is responsible for reading the bulletin boards on a regular basis (at least once a week).

TERMINATION OF EMPLOYMENT

Upon termination of employment, all Company property must be turned in to your Supervisor during the exit interview. Those who voluntarily quit are asked to give a two-week notice to find a suitable replacement for that position.

Anyone involuntarily discharged will receive all paychecks due them, including vacation pay, on the next regularly scheduled payday.

RECORDS

An effective system for keeping records on job applicants, current Associates and former Associates is essential. In order to keep personnel records up to date, Associates must notify their Supervisors in writing of any changes in:

1. Name, address and telephone number
2. Marital status
3. Number of dependents
4. Beneficiary designation for any of the Company supplied insurance
5. Persons to be notified in case of emergency

When a change in number of dependents or marital status occurs, the Associate should complete a new W-4 form and submit it to their Supervisor for income tax withholding and/or insurance purposes.

To protect the contents of personnel files and records, all information will be stored in a secure location.

If you would like to review your personnel file, submit your request in writing to Human Resources and a time will be scheduled for the review. Please allow 7 working days for an appointment to be scheduled.

WEATHER DAYS

During days of extreme weather conditions, it will be at the discretion of the Vice President of Operations or CFO if absences incurred during these days will be excused. All plant closings due to extreme weather conditions will be announced **via the Nifco Weather Line**. It

is the Associate's responsibility to call our Weather line at **614-920-6892** (Ohio) or **1-866-752-0790 ext. 15061** (Kentucky) or **1-877-218-7514** (Tennessee) to hear a pre-recorded message to find out if your plant location will be open or not.

CHANGE IN COMPANY POLICY

The Company will attempt to notify all Associates of policy updates and changes through Associate meetings and by posting the information on the Company bulletin boards.

SECONDARY EMPLOYMENT

It is the policy of Nifco to allow its Associates to hold second jobs, subject to certain restrictions as outlined below. Secondary employment for full-time Associates is not encouraged, however, it is allowed if the demands and requirements of the Associate's job at Nifco are considered primary.

Guidelines:

1. The Company requires that Associate activities away from the job must not compromise the Company's interests or adversely affect the Associate's job performance and ability to fulfill all responsibilities to the Company.
2. All Associates are expressly prohibited from engaging in any activity that competes with the Company or compromises its interests. This prohibition includes performing any services for customers on nonworking time that are normally performed by Company personnel, the unauthorized use of any Company tools or equipment, and/or the unauthorized use or application of any confidential trade information or techniques.
3. In addition, Associates are not to conduct any secondary business during paid working time.

RECEIPT OF HARASSMENT PREVENTION AND REPORTING POLICY

After you have carefully read the Harassment Prevention and Reporting Policy in this Handbook, please truthfully answer the questions listed below. After signing below, please return the signed form to a Human Resources Manager and keep a copy of the policy for yourself in a safe place for future reference.

*Have you read and had the opportunity to ask questions about the above
Harassment Prevention and Reporting Policy?*

☐ Yes ☐ No

*Have you been given a copy of the above **Harassment Prevention and
Reporting Policy**?*

☐ Yes ☐ No

*Do you agree to obey the above **Harassment Prevention and Reporting
Policy**?*

☐ Yes ☐ No

*Do you agree to report any violation of this **Harassment Prevention and
Reporting Policy** that you observe or experience?*

☐ Yes ☐ No

*Do you understand that you are free to choose to report any violation of this
Harassment Prevention and Reporting Policy to the Human Resources
Manager, Director of Human Resources, Chief Financial Officer, or
President of Nifco?*

☐ Yes ☐ No

*Do you understand and believe that no one will be permitted to
retaliate against you, or get back at you, for truthfully reporting any
violation of this **Harassment Prevention and Reporting Policy**?*

☐ Yes ☐ No

Associate's Name (Print) _____

Signed: _____

Date: _____

SIGN AND RETURN TO THE HUMAN RESOURCES DEPARTMENT

RECEIPT OF ASSOCIATE HANDBOOK

I understand that I am responsible for knowing the contents of the handbook and if I have questions about the policies, I can receive clarification from Human Resources. I further understand that Nifco may, in its discretion, change the policies contained in the handbook at any time.

I understand that this handbook or any other written or on-line communication does not constitute an employment contract. The employment relationship is at-will, which means that Nifco or I can terminate the relationship at any time and for any reason.

I can review or request another copy of the Nifco Associate Handbook in the Human Resources Department.

Associate's Name (Print)

Signed:

Date:

SIGN AND RETURN TO THE HUMAN RESOURCES DEPARTMENT