



# EMPLOYEE HANDBOOK

EFFECTIVE DATE: JULY 1, 2022

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## 1.0 INTRODUCTION

This handbook is designed to assist you in understanding various policies and procedures of America's Remanufacturing Company (ARC). The information contained in this Handbook is correct at the time of its printing. ARC may amend, modify, eliminate entirely, or change the interpretation of any program or policy contained herein at any time at its sole discretion with or without notice. This Handbook supersedes any prior handbook or written policies of ARC that are inconsistent herewith. You may receive updated information concerning policy changes from time to time, and in as much as those changes will reflect the current policies and procedures of ARC, those changes should be inserted into this Handbook. If you have any questions concerning any of the policies or provisions in this Handbook, please contact your Human Resources Manager.

This Handbook is intended to be used only as a guide. There may be occasions when the company will change its policies and procedures or give current policies and procedures a different interpretation than those previously given. The Company may modify its policies and procedures, both written and unwritten, at its sole discretion.

The Handbook does not create a contract of employment between the Company and its employees, express or implied, guaranteeing employment for any specific duration. The relationship that exists between ARC and each of its employees is "employment at will".

## 2.0 COMPANY MISSION AND VALUES

### 2.1 COMPANY MISSION

At America's Remanufacturing Company, we have a very simple mission:

**We are obsessively compelled to seek value.**

This includes value to our clients by saving them money and offering them valuable data about their returns. This includes value to our customers by offering them high-quality product at an affordable price. This includes value to our employees as we offer an environment of stability and growth. This includes value to our community as we provide meaningful jobs and economic return through participation in circular economy. Day-in and day-out we are driven to search for, find, and actualize value in everything that we do.

### 2.2 COMPANY VALUES

America's Remanufacturing Company identifies itself as a values-based company. This means that as we grow, develop, and operate we attempt to do all things within a prescribed set of values that define who we are. This permeates all aspects of our company from who and how

we hire to how we recognize achievement and success. It is also the framework for how we choose who we work for as a company. Daily, it dictates how we relate to each other.

- **Demand Precision** – We are exacting in processes, data management, and product presentation. Precision requires control and delivers quality.
  - ARC leverages its robust data collection analytics to help our clients make better decisions earlier in the reverse logistics process. Our team utilizes these tools to create precise test and measurement protocols. We add value to our customers through demonstrable quality across our documented policies and procedures. Rule #1 for ARC: “We don’t lie to ourselves!” We apply a fanatical level of vigilance to monitoring the processes and systems we build.
- **Find Ways to be Resourceful** – We thrive on the inherent challenge and nuance of returns.
  - ARC creates order from chaos because consumer returns are hard. We partner with our clients at any stage in their returns-management journey. We leverage our legacy of resourcefulness to relentlessly reduce waste and add quantifiable value to our clients’ bottom lines.
- **Never Fear to Innovate** – We are creative and iterative thinkers that fail fast.
  - Every client, program, and product is unique. ARC embraces this complexity and will continue to demonstrate its ability to build and adapt processes to overcome any challenge.
- **Judge Impartially** – We are unbiased; we do not pre-judge; we believe in the individual.
  - ARC remanufactures products and people with an eye to quality in both. We are an inclusive group of loyal professionals that choose to work together and create opportunities for advancement. Treating each other with respect and professionalism is never optional. ARC team members are judged on what they do and who they are, not what they have done or where they came from.
- **Build a United Team** – We value loyalty and cultivate a strong bond of trust amongst our team.
  - Our diverse world views are connected by a singular vision to a common goal and purpose – support our customers and support each other. Join the fight! It is in the shared experiences in the trenches that we find our deep connection with one another.

## 3.0 EMPLOYMENT

### 3.1 AT-WILL EMPLOYMENT

Your employment with America’s Remanufacturing Company is at-will. This means your employment is for an indefinite period and it is subject to termination by you or America’s

Remanufacturing Company with or without cause, with or without notice, and at any time. Nothing in this policy or any other policy of America's Remanufacturing Company shall be interpreted to conflict with or to eliminate or modify in any way the at-will employment status of America's Remanufacturing Company employees.

The at-will employment status of an employee of America's Remanufacturing Company may be modified only in a written employment agreement with that employee that is signed by the President or the Chairman of the Board of Directors of America's Remanufacturing Company.

### 3.2 EQUAL EMPLOYMENT OPPORTUNITY

America's Remanufacturing Company is an equal opportunity employer. It is the policy of ARC to prohibit discrimination of any type and to afford equal employment opportunities to employees and applicants, without regard to race, color, religion, sex, national origin, age, disability, or veteran status. ARC will conform to the spirit as well as the letter of all applicable laws and regulations. ARC will take action to employ, advance in employment and treat all qualified personnel without discrimination in all employment practices.

The policy of equal employment opportunity and anti-discrimination applies to all aspects of the relationship between ARC and its employees, including but not limited to recruitment, employment training, termination, promotion, transfer, or demotion. Additionally, ARC will ensure that all personnel programs, such as rate of pay and other compensation, benefits, transfers, layoffs, returns from layoff, and company sponsored training are administered within the same non-discrimination policy.

The policies of equal employment opportunity also apply to the selection and treatment of independent contractors, personnel working on our premises who are employed by temporary agencies and any other persons or firms doing business for ARC.

Violations of this policy, regardless of whether an actual law has been broken, will not be tolerated. ARC will investigate every issue that is brought to its attention in this area and will take appropriate disciplinary action, up to and including termination of employment. Employees can raise concerns and make reports without fear of reprisal.

### 3.3 DISABILITY ACCOMMODATION

The American with Disabilities Act (ADA) requires employers to reasonably accommodate qualified individuals with disabilities. It is the policy of ARC to comply with all Federal and State laws concerning the employment of persons with disabilities. It is company policy not to discriminate against qualified individuals with disabilities regarding application procedures, hiring, advancement, discharge, compensation, training, or other terms, conditions, and privileges of employment.

Disability refers to a physical or mental impairment that substantially limits one or more of the major life activities of an individual. An individual who has such impairment, has a record of such impairment, or is regarded as having such impairment is a "disabled individual". A qualified individual with a disability means an individual with a disability who, with or without reasonable accommodation, can perform the essential functions of the employment position that the individual holds or has applied for.

ARC will reasonably accommodate qualified individuals with a temporary or long-term disability so that they may perform the essential functions of the job.

Reasonable accommodations may include but are not limited to making existing facilities used by employees readily accessible to and usable by persons with disabilities, job restructuring, modifying work schedules, or reassignment to a vacant position. Accommodations may also include but are not limited to acquiring or modifying equipment or devices, adjusting, or modifying examinations, training materials, or policies, and providing qualified readers or interpreters.

ARC will make accommodations to the known disability of a qualified applicant or employee if it would not impose an "undue hardship" on the operation of the business of ARC. Employees should make preexisting disabilities requiring accommodation known at the time of hire by filling out the Health Self-Disclosure Form provided during onboarding.

## 4.0 GENERAL INFORMATION

### 4.1 IMMIGRATION LAW COMPLIANCE

ARC is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate based on citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with ARC within the past three years or if their previous I-9 form is no longer retained or valid. The new hire must prove their eligibility by producing proper documents within 3 working days.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Human Resources Manager. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

## 4.2 OUTSIDE EMPLOYMENT

Employees may hold outside jobs if they meet the performance standards of their job with ARC. All employees will be evaluated by the same performance standards and will be subject to ARC's scheduling demands, regardless of any existing outside work requirements. Activity related to outside employment may not take place during the employee's regular hours nor involve the use of the company's resources.

ARC does not make permanent adjusted schedule allowances for the purposes of outside employment.

If ARC determines that an employee's outside work interferes with performance or the ability to meet the requirements of ARC, the employee may be asked to terminate the outside employment if they wish to remain with ARC.

## 4.3 CONFLICTS OF INTEREST

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. Employees should avoid any situation which involves or may involve a conflict between their personal interest and the interest of ARC. As in all other facets of their duties, employees dealing with customers, suppliers, contractors, competitors, or any person doing or seeking to do business with ARC, are to act in the best interest of the company.

# 5.0 EMPLOYMENT STATUS AND RECORDS

## 5.1 EMPLOYMENT CATEGORIES

It is the intent of ARC to define employment classifications, so employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period. Accordingly, the right to terminate the employment relationship at any time is retained by both the employee and ARC.

Each employee is designated as either NON-EXEMPT or EXEMPT from federal and state wage and hour laws. NON-EXEMPT employees are entitled to overtime pay under the specific provisions of Federal and State Laws. EXEMPT employees are excluded from specific provisions of Federal and State Wage and Hour Laws. An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by ARC management.

In addition to the above categories, each employee will belong to one other category:

*New employees* begin in a "New Employee Evaluation Period". During this period, the employee is committed to the schedule for the job being hired for. The employment status of an employee in this period is "temporary" as the employee must complete this period successfully to enter a full-time position at ARC.



*Full-Time employees* are those not in the “New Employee Evaluation Period” and who are regularly scheduled to work ARC's Work Schedule. Full Time employees generally work 35 hours or more per week.

*Part-Time employees* are those who work 30 hours or less during a standard work week, as defined by the Affordable Care Act.

*Staffed employees* are provided to ARC through a partner staffing agency. Employees working at ARC through a staffing agency are primarily employed by the agency and assigned to a position at ARC. As such, staffed employees’ assignments may be changed or ended in alignment with the needs of the business in accord with the staffing contract laid out with the agency.

## 5.2 PERSONAL DATA CHANGES

It is the responsibility of each employee to promptly notify ARC of any changes in personal data. Personal mailing address, telephone number, emergency contact information and other employee information should always be accurate and current. Please notify the Human Resources Manager of any personal changes so the records can be adjusted accordingly. It is important that we have the correct address on file to ensure proper delivery of tax documents or other important documentation that may be mailed based on the address of record. If documents are returned, it is the responsibility of the employee to pick them up from the office.

## 5.3 EMPLOYMENT APPLICATIONS

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

## 5.4 NEW EMPLOYEE EVALUATION PERIOD

The “New Employee Evaluation Period” is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the position meets their expectations. ARC uses this period to evaluate employee capabilities, work habits, and overall performance. New employees should use this period to establish compatibility between their work with ARC and their current lifestyle. Should an employee determine that the job is not a good fit or that it is not compatible, they can voluntarily resign without any negative stigma and will be eligible for rehire.

Unless established in writing within an offer letter, all new hires will have either a fourteen-day or a thirty-day “New Employee Evaluation Period”. The length is based on the position and/or facility to which the employee is assigned and will be communicated during onboarding. During this period, the employee may be terminated without cause. They will be notified at the end of the day by their immediate supervisor. During this period, the employee will be evaluated in the new position by their immediate supervisor for their adherence to company policy and process, professionalism, attendance, work quality, competence, and focus as well as general workplace compatibility. At the end of the period, a formal evaluation will be completed by the direct supervisor and, if favorable, they will be formally assigned to the designated position.

## 5.5 PERFORMANCE EVALUATIONS

Employees will have regularly scheduled performance evaluations with their supervisor. The timing of these evaluations is position-specific, and the schedule of these evaluations will be maintained by the Human Resource Department. All performance evaluations should be approved by a member of the Human Resources team before they are administered. The documentation for these reviews will be provided by the Human Resources team and will be objective in nature.

Above average or consistent performance may, at the discretion of the Department Manager, result in promotion or wage increase. Below average performance will be accompanied with written disciplinary documentation and a corrective action plan with a follow-up date.

Employee evaluation schedules will abide by the prescribed schedule. Meritorious promotion may be given outside of the schedule only with explicit permission given by the Facility Operations Manager or the Director of Human Resources.

## 6.0 EMPLOYEE PROGRAMS

### 6.1 DIRECT PAYCHECK DEPOSITS

Employees are eligible for direct deposit immediately upon hire. Employees must bring documentation providing the bank routing number and the account number. A voided check, documentation from the bank, or a statement from a pre-card mailer are acceptable documentation. We cannot use handwritten notes or a verbal notification. At any time, an employee may fill out a Pay Election Form with the Human Resource Department to enroll in direct deposit. Direct deposited funds are generally available on Friday. If a holiday falls on Thursday or Friday, direct deposits may be delayed.

Depending on the institution being used for direct deposit, there may be a delay from when the information is provided and when funds successfully begin being deposited into the account. The employee should anticipate that the first pay period or two after direct deposit has been requested may be processed as a paper check pending verification of the direct deposit

account. Should the account fail to be verified, the direct deposit request is automatically cancelled and must be requested again.

If your banking information changes, please contact the Human Resources Department as soon as possible. We are not responsible if we have incorrect banking information. If your account has a problem or has been closed, it generally takes five to seven working days for the funds to be transferred back to us. When we receive the funds, we will issue you a check. There will be a \$40 fee.

## 6.2 INSURANCE PLANS

ARC provides insurance options that offer employees and their dependents access to medical, dental and vision insurance benefits. Employees are eligible to participate in the insurance plans after 60 days of service. The term of eligibility will begin on the first day of the month following the 60-day waiting period and lasts for 30 days. Should the employee fail to enroll during this eligibility period, they must wait until Open Enrollment.

ARC will pay for a portion of the employee's health insurance after the waiting period. Your spouse and children may be added, but the employee must pay 100% of their premium cost. Dental and Vision plans are not subsidized by ARC but are provided at a low-cost option. The cost of the premium is deducted weekly from the employee's paycheck.

If an employee is laid off or terminated and is rehired, their eligibility for insurance will start over on the rehire date.

If you are interested in enrolling in health benefits, please notify the Human Resource Department to discuss options and payment schedules after your first month of employment.

Employees who have enrolled in an insurance plan whose employment ends in the middle of a month will have the remaining premium for the month deducted from their final check.

## 6.3 401(K) PROGRAM

ARC offers an employee 401(k) contribution program after 6 months of service. Enrollment takes place twice a year on January 1<sup>st</sup> and June 1<sup>st</sup>. Employees who qualify for the program will receive an invitation to participate during the enrollment event following their 6-month qualification.

Employees can contribute to either a pre-tax traditional 401(k) or a post-tax Roth IRA. ARC provides an employer match: dollar for dollar for the first 1% of an employee's earnings and fifty cents on the dollar for the next 2%. Contributions greater than 3% of the employee's earning will receive no match. More details concerning this program can be directed to Human Resources.

## 6.4 EMPLOYEE ASSISTANCE PROGRAM

ARC is constantly working to build a network of free or low-cost medical, housing, rehabilitation, and other personal support providers. It is our desire to help support employees in the day-to-day struggles that challenge their ability to maintain stability in their lives. To receive more information about our partners and the services they offer, reach out to the Human Resources Department.

## 7.0 COMPENSATION

### 7.1 TIMEKEEPING

Accurately recording time worked is the responsibility of every clocking employee. Federal and State laws require ARC to keep an accurate record of time worked to calculate employee pay.

It is the responsibility of each employee to clock in appropriately using the time tracking system assigned on the hire date. Employees are permitted to clock in within 7 minutes of their scheduled time. For example, if a schedule starts at 8:00 am, the employee may clock in anytime after 7:53 am. ARC reserves the right to adjust clock-in time stamps to align with an employee's schedule should the employee attempt to clock in early without express approval from their supervisor.

Employees are not required to punch out for breaks as these are automatically deducted from the hours for the day. If you forget to clock in or out, you must contact the Human Resources Manager as soon as possible. Failure to clock could result in not getting compensated correctly.

After an employee has clocked in, it is mandatory that the employee report directly to their station to start work. Employees are not allowed to go outside and smoke, go to their car, visit the restroom, etc. after they have clocked in. Violation of this rule will result in disciplinary action up to and/or including termination.

Employees are also not allowed to punch for anyone other than themselves. Time punch corrections should only be made by an employee's supervisor or a member of the Human Resource Team. Clocking for another employee is a serious offense. If an employee submits a time punch for another employee, it will result in termination. If an employee asks another employee to punch for them, it will result in termination.

### 7.2 PAYDAYS

Employees will be paid on a weekly basis. The pay period begins on Monday and ends on Sunday. Payday is on the Friday that follows the end of the pay period. In the event that a banking holiday falls on Wednesday, Thursday, or Friday, checks and deposits may be delayed.

ARC will not be liable if an employee is not paid as scheduled due to a natural disaster, weather, bank closures or holiday.

Manual checks are not distributed during an employee's shift. Any current employees who leave their work area during working hours will be reprimanded. Checks are distributed at the facility where an employee is assigned. If an employee fails to pick up a check, the check will be held at the facility for 30 days. After 30 days, the check will be returned to the corporate accounting office.

If a check needs to be replaced at the request of an employee, there is a \$25 charge to stop payment and issue a manual check. If a direct deposit needs to be cancelled at the request of an employee, there is a \$40 fee to stop payment and issue a manual check. Funds will not be released until the cancellation and return of the deposit has been verified.

Employees that quit or are terminated may pick up their check from the Human Resource office at the assigned facility after 2:00 pm on Friday. ARC will only mail a check at the request of the terminated employee.

Staffed employees pay is managed by the staffing partner. ARC is not responsible in any way for the administration of pay by the staffing company. All payroll needs should be addressed by the employee with their representative at the staffing company.

### 7.3 ADMINISTRATIVE PAY CORRECTIONS

ARC takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled day.

In the unlikely event that there is an error in the amount of pay, the employee must bring the discrepancy to the attention of Human Resources Manager so that the correction can be made as quickly as possible.

### 7.4 OVERTIME

In accordance with the Federal Labor Standards Act (FLSA), nonexempt employees are eligible to receive overtime pay at a rate of one-and one-half times their regular pay for time worked in the excess of 40 hours per workweek or comply with the applicable state law concerning overtime. ARC will comply with all State and Federal regulations concerning overtime.

All overtime work at ARC must be authorized by the President or Facility Operations Manager. Working overtime without approval from management will result in disciplinary action that could include termination.

ARC reserves the right to adjust a work schedule to control overtime.

## 7.5 FINAL PAY DEDUCTIONS

ARC reserves the right to deduct any outstanding balances owed the company from an employee's final check. These deductions would include payments due for replacement PPE, badges, unreturned assigned IT assets, and damages to company property. The company will provide an employee a breakdown of adjustments to their final pay upon request.

## 8.0 WORK CONDITIONS AND COMPANY OWNED EQUIPMENT

### 8.1 BUILDING SECURITY

ARC facilities are controlled-access facilities. All people on site are required to wear a badge recognizing their permission to be on site. This badge must be always visible. People on site who do not have a badge permitting them to be on site will be escorted from the facility immediately. There are three designations for badges issued to people on site: Authorized Visitor Badges, Temporary Badges, and Employee Name Badges.

Authorized Visitor Badges are given to any authorized non-employee persons on-site. This may include company vendors, personal visitors, clients, etc. All visitors must check in at the appropriate facility office to receive a visitor badge before setting foot in any other space in the facility. Upon completion of the visit, this person must check out and return the badge before leaving the facility.

Temporary Badges are given to persons who have gone through ARC orientation but have not yet been issued a formal employee badge. As part of orientation, these persons will receive a Temporary Badge that will be traded with their Employee Name Badge once the Human Resource Department creates one for them. These badges will also be issued to employees who lose or damage their issued Employee Name Badge. These badges have an issue date and an expiration date. They do not provide authorization for building access beyond the designated expiration date.

All employees will be given an Employee Name Badge. This badge will have their name, hire date, badge ID#, designations for specific authorizations, and a denotation of tenure. These badges must not be altered in any way unless authorized to do so by the Human Resource Department. Employees who alter their badges without approval will receive a disciplinary action up to and/or including termination. Authorizations designated on the badge are as follows:

- Phone-Use Authorization – Employees with this authorization may use their phones while on the premises for job-related functions.

- Workbag-Use Authorization – Employees with this authorization may use a personal bag or container to carry work-related objects to their area of work. There may be no personal effects in this bag nor may the bag that is authorized be exchanged for other bags without approval.
- Equipment Authorization – Employees with this authorization have already been certified by ARC to drive a forklift or electric pallet jack and are authorized to operate this equipment during working hours. Just because an employee has been certified to use a piece of equipment does not mean that they have this authorization.

The following rules and procedures are applied to badges:

- Every employee is an enforcer of the ARC name badge policy. If any employee sees any person on the work floor without the appropriate badge, they should immediately report it to their supervisor so that the person may be addressed, no matter who this person is.
- Lost or damaged Employee Name Badges will be replaced for a \$10.00 fee that will be deducted from the employee's pay.
- Employee Name Badges that are broken during work may be replaced at no cost to the employee if 1) the employee was wearing the name badge as it is designed to be worn and 2) if they offer the broken badge for replacement.
- If a Temporary Badge is lost, damaged, or fails to be returned when the Employee Name Badge is issued, a \$5.00 replacement fee will be deducted from the employee's pay.
- Once a request for a replacement badge has been made, the request cannot be undone. This includes if the missing badge is "found" at a later time before the new badge has been issued.
- If an employee must leave work for any reason associated with not having a name badge, it will result in a disciplinary action no less severe than a critical write-up.
- Office employees are not required to wear their name badge at all times. They are required to have their badge "within reach" so as to show it upon request. Should an office employee enter into a work area, they must be wearing their name badge.

## 8.2 WORK SCHEDULES

Work schedules for employees are variable, based on their work location and department. A detail of an employee's schedule will be provided to them at their orientation. If an employee is reassigned a new position, their work schedule may change. This will be discussed beforehand with their supervisor. Questions concerning their schedule should be directed to their immediate supervisor.

Employees are provided "on-the-clock" and "off-the-clock" breaks. These will be communicated with their work schedule. Employees may not leave the premises for on-the-clock breaks. Employees may leave the premises for off-the-clock breaks. Employees do not have to clock out

for breaks. In the event that the employee is asked to work through an off-the-clock break, they must notify the Human Resource Department to ensure that they are paid correctly. Failure to do so could result in incorrect compensation. Employees cannot work through their break without explicit permission from the head of their department.

Breaks are not guaranteed and are subject to the needs of the business.

Staffing needs and operational demands may necessitate variations in starting and ending times. Employees will be notified of any changes in scheduling. Employees may be asked to work past their scheduled time if the needs of the business necessitate it. Though ARC desires to respect the needs of individual's outside commitments, refusal to work this time on a consistent basis could result in disciplinary action up to and including termination.

### 8.3 DESIGNATED SMOKING AREAS

Each facility provides at least one designated smoking area. These areas are clearly signed with designated boundaries. These areas must be at least 20 feet from all entrances to the facility as well as any other places where air may enter a building, such as windows or A/C units. The areas are also furnished with shelter in the event of inclement weather.

All on-site tobacco and nicotine use is restricted to these areas. This includes, but is not limited to, the use of cigarettes, cigars, chewing tobacco, vapes, e-cigarettes, pipes, and other like products. The use of nicotine gum, patches, or prescription and OTC medication is not restricted to this area.

Any employee who uses any of these restricted products either inside a facility, in a manner that is a safety hazard (near flammable materials), or inside a company vehicle will receive no less than a critical write-up. If an employee is known to have acted maliciously, in full knowledge and disregard of this policy, they will be terminated immediately.

Any employee who uses any of these restricted products outside of the facility but not within the boundaries of the designated smoking area will receive progressive counseling to correct the behavior.

The use of nicotine and tobacco products by hourly employees is restricted to the facility's regular break schedule. If an employee is required to work through a regularly scheduled break, the manager may provide an alternate time for the employee to take a smoke break. Employee's who do not smoke, however, must be given the same consideration. Employee's may not schedule their own smoke breaks.

Salaried members of staff, particularly managers and supervisors, are expected to be present in their areas of responsibility. Therefore, should a salaried member of staff choose to leave their area of responsibility to take a "smoke break", they should check in with their supervisor before leaving their workspace. Failure to do so can result in disciplinary action.



## 8.4 USE OF COMPANY EQUIPMENT

Company owned, rented, or leased equipment is expensive and difficult to replace. When using company property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

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

The improper, careless, negligent, destructive, or unsafe use or operation of equipment can result in disciplinary action up to and/or including termination.

In certain instances, when it is found that the equipment was damaged due to improper use or negligence by the user, the employee will be asked to pay for the damage. This may result in payroll deduction until the damages are paid.

## 8.5 IT POLICY

The following rules apply to all employees unless specific exception is given by the IT department.

- Personal device usage is strictly prohibited in ARC buildings, with the only exception being pre-authorization from HR as indicated on the employee's name badge. This includes cell phones, laptops, tablets, smartwatches, earbuds, portable speakers, or any other personal communication, display, or audio devices. Personal devices are authorized for use in employee break rooms and outside the building.
- Checking personal email and internet browsing for personal reasons on public computer terminals is prohibited except on public-access stations provided by HR for a company-defined purpose.
- Employees are prohibited from adding software to company systems unless the employee is authorized to make software changes and the applications are approved in advance by IT.
- Employees are prohibited from removing software from company systems.
- Employees are prohibited from lending company assigned computer systems and software to other employees or persons outside the company.
- Employees must notify IT tech support immediately of an unusual behavior of their hardware, software, or mobile devices.

- Using company communication software (email, Teams, or others) to send sensitive company data that is unencrypted to external users is considered a data breach. No sensitive data should leave the premises in any format unless it is encrypted.
- Devices containing sensitive data must never be left exposed or unattended.
- Remote users are required to log in via VPN to access secure information.
- All company-issued equipment must be returned in functional condition upon an employee's separation or reassignment. Failure to do so will result in a wage deduction for the cost of the equipment's replacement.

## 9.0 LEAVE OF ABSENCE

### 9.1 FAMILY AND MEDICAL LEAVE

ARC fully complies with the Family and Medical Act of 1993 and any state law that applies. The FMLA entitles eligible employees up to 12 workweeks of UNPAID, job protected leave in a 12-month period for one or more of the following reasons:

- for the birth and care of a newborn child of the employee
- for placement with the employee of a son or daughter for adoption or foster care
- to care for a spouse, son, daughter, or parent with a serious health condition
- to take medical leave when the employee is unable to work because of a serious health condition; or
- for qualifying situations arising out of the fact that the employee's spouse, son, daughter, or parent is on active duty or call to active duty status as a member of the National Guard or Reserves in support of a contingency operation

ARC must also grant an eligible employee who is a spouse, son, daughter, parent, or kin of a current member of the Armed Forces, including a member of the National Guard or Reserves, with a serious injury or illness up to a total of 26 workweeks of UNPAID leave during a single 12 month period to care for the service member.

To be eligible for FMLA benefits, an employee must

- Work for a covered employer
- Have worked for the employer for a total of 12 months
- Have worked at least 1,250 hours over the previous 12 months: and
- Work at a location in the United States or in any territory or possession of the United States where at least 50 employees are employed by the employer within 75 miles.

ARC may require an employee to provide reasonable documentation or statement of the family relationship.

Employees on leave must continue to pay any insurance co-pays and are responsible for any other financial obligations they may have which are normally deducted from their paycheck.

## 9.2 BEREAVMENT

ARC recognizes the obligation of a person to care for the funeral arrangements and estate in the event of the death of an immediate family member. As such, ARC offers three days of bereavement leave to an employee for the death of a parent, sibling, child, or spouse. These relationships must be literal. For relationships outside of these listed, leave is only offered upon the furnishing of documents justifying legal obligation to manage estates.

Should an employee desire to attend the funeral of a non-immediate family member or friend, the employee may request time off for funeral attendance. The time off granted will be for funeral attendance only, and the employee may be expected to be at work in the time preceding or following the funeral.

## 9.3 MILITARY LEAVE

A military leave of absence will be granted to employees who are absent from work because of service in the US uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Employees are requested to notify their supervisors as soon as they are aware of the military obligation, unless military necessity prevents such notice, or it is otherwise impossible or unreasonable.

In accordance with Federal and State Law, it is ARC's policy that no employee or prospective employee will be subjected to any form of discrimination based on that person's membership in or obligation to perform service for any of the Uniformed Services of the United States. Specifically, no person will be denied employment, promotion, or other benefit of employment based on such membership. Furthermore, no person will be subjected to retaliation or adverse employment action because such person has exercised his or her rights under this policy. Contact the Human Resources Department for more information or questions about military leave.

## 9.4 JURY DUTY

ARC encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees may request unpaid jury duty leave for the length of absence.

Employees must show the jury duty summons to their supervisor as soon as possible. If you are not chosen to serve on the jury, we expect you back at work immediately.

## 9.5 UNPAID TIME OFF (UTO) – NON-EXEMPT EMPLOYEES

ARC does not offer any accumulation of PTO. Employees are paid for hours worked. UTO is restricted to a total of 10 days within a 12-month period unless connected with a company-approved request for leave or in compliance with FMLA.

## 9.6 PAID TIME OFF (PTO) – EXEMPT EMPLOYEES

All exempt employees, unless by specific exception communicated in writing during time of hire, are awarded 64 hours of PTO per year (Eight 8-Hour Days). This PTO is accrued weekly at a rate of 1.23 hours per week awarded on Sunday in alignment with payroll beginning from Day 1 as a salaried employee.

Exempt employees will also receive a tenure-based bonus award of 8 hours annually added on to their weekly accrual for each year they have worked for ARC, up to an additional 40 hours (the first 5 years).

- Accrued PTO is rolling and cannot exceed the total annual accrual amount (64 hours for Year 1, 72 hours for Year 2, etc.).
- Accumulated PTO is applied to ANY day in which the salaried employee is not fulfilling the functional responsibilities of their job. This may include vacation time, sick time, personal time, etc. ARC makes no distinction for the purpose for which the time is used.
- PTO is used when an employee misses more than 4 hours of their standard working day (including time allocated for breaks).
- PTO is used in 4-hour increments. For a day where an employee misses greater than 4 hours of their standard working shift but less than a full day, 4 hours will be deducted. If greater than 8 hours of their standard day is missed, a full eight hours will be deducted.
- Planned PTO usage should be submitted through ADP for approval by the employee's direct supervisor at least 72 hours in advance to the desired time off.
- Supervisors may give approval for PTO requests if the usage results in a positive balance of PTO. If requested PTO usage would result in a negative balance, the supervisor must seek verbal approval for the usage from the Director of Human Resources.
- If an employee has a negative balance of PTO, requests will only be granted in extraordinary circumstances by the Director of Human Resources. Negative balances cannot exceed 40 hours.
- Employees who are absent from work without prior approval while at a negative balance in PTO will not be paid for the time they have missed.

- Employees may request an appropriate reduction in wages in lieu of PTO usage. These requests must be reported to the Director of Human Resources within the pay period they occur to be approved and processed.
- Should a person's employment be terminated voluntarily or involuntarily, there is no payout of accrued PTO. In addition, should the person have a negative balance, the associated amount will be deducted from their final check.
- ARC reserves the right to award PTO to employees through temporary award programs in response to extra hours worked. These programs will be documented and will be communicated to all eligible employees in advance to the awarding of any PTO. An eligibility period will be defined as part of all PTO award programs.

## 9.7 HOLIDAYS

ARC is a production facility which means that it costs a significant amount for the plant not to operate for any period of time. As such, ARC maintains a conservative holiday plant-closure schedule to minimize “down-time”. The following holidays will be observed by ARC for 2022 with the accompanied plant-closures and floating holiday awards. Floating holidays are awarded to exempt employees as usable PTO in lieu of the plant being closed. Floating holidays are awarded at the beginning of the year or at the time of the new assignment of a PTO policy. ARC does not currently offer holiday pay for non-exempt employees.

- Memorial Day – Monday 05/30 – Awarded as a Floating Holiday
- Independence Day – Monday, 07/04 – Plant Closure on 07/04
- Labor Day – Monday, 09/05 – Awarded as a Floating Holiday
- Thanksgiving Day – Thursday, 11/24 – Plant Closure on 11/24 and 11/25
- Christmas Day – Sunday, 12/25 – Plant Closure on 12/26

## 9.8 BLACK-OUT DAYS

Black-out days are days recognized by the company where granting time-off could result in the plants not being able to operate at the level necessary to meet the needs of the business. Because of this, no time-off requests will be approved for these days. The following days are company-wide recognized black-out days for 2022 and may be supplemented by a facility-specific black-out schedule. The days below are nationally recognized holidays where plant-closures will not occur. All employees are expected to work on these days.

- Monday 01/01 – New Year’s Day
- Monday 01/17 – Martin Luther King Day
- Monday 02/14 – Super Bowl Monday
- Monday 02/21 – President’s Day
- Monday 05/30 – Memorial Day

- Monday 06/20 – Juneteenth (*observed*)
- Monday 09/05 – Labor Day
- Monday 10/10 – Columbus/Indigenous People’s Day
- Friday 11/11 – Veteran’s Day

## 10.0 EMPLOYEE RELATIONS-POLICIES AND PROCEDURES

### 10.1 ATTENDANCE AND PUNCTUALITY

To maintain a productive environment, America's Remanufacturing Company (ARC) expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness can disrupt work, inconvenience other employees, and affect productivity.

If an employee is unable to work their regular schedule due to an appointment or any obligation of which they are aware, they must complete a Leave Request Form which must be approved by the Department Manager. These forms must be filled out 72 hours in advance of the requested time off. Management has the right to deny the request if the needs of the business necessitate it. To aid in counteracting the negative impact to productivity, ARC asks its employees to schedule appointments either early or late in the day to reduce the amount of time needed for the request.

ARC does acknowledge that certain appointments, such as probation meetings, do not allow the employee to give enough notice and have legal ramifications if the employee fails to make them. In these rare circumstances, the employee should communicate the commitment to their supervisor and return with appropriate documentation from the appointment.

Any absence that falls within 72 hours that has not been previously approved is considered an unexcused absence. Certain absences may be mitigated by circumstances such as death or medical emergency but will require documentation. Absences related to circumstances such as sickness, childcare, transportation, etc. are not mitigated and, if frequent, will result in disciplinary counseling.

If at some point your life circumstances are keeping you from working your agreed upon schedule, speak with your supervisor. Employees may be placed on voluntary leave to allow time to sort through such circumstances to prevent them from being terminated.

Not reporting to work and not calling in to report the absence is a no call/no show (NCNS) and is a serious matter. One NCNS can result in termination. Two NCNSs in a row will be considered job abandonment.

Employees that are absent for two consecutive days, must bring in an excuse, whether its court, a death, or illness. You will not be allowed to work unless proper documentation is presented when you return. If a fake excuse is given to your employer, your employment will be

terminated immediately. Work excuses are verified for authenticity if there is a suspicion it may be fake.

Employees who are going to be late or not able to come to work must call their facility office before their shift begins. This number can be reached indirectly by calling the corporate number, (706) 737-0490, and following the options for reaching the specific facility. Leave a voicemail with your name, department, and reason for your call-out. Employees are also encouraged to reach out to their supervisors directly, when appropriate, so that arrangements can be made to cover the absence. It is also encouraged that you call back during normal office hours to ensure that the message was received and communicated.

Should a situation arise that requires the employee to leave work during their shift, the following procedure must be completed.

1. Inform immediate supervisor of the need to leave.
2. Inform the Human Resource Department on site of the need to leave.
3. Clock out before leaving the premises to ensure appropriate compensation.

Failure to execute all three steps will result in disciplinary action up to and/or including termination. Execution of the above steps does not excuse failure to appropriately plan for life contingencies. Employees who leave work for emergency situations will be required to provide documentation upon return. Known emergency situations, such as anticipated birth of a child, should be communicated and planned for in advance to the event with the employee's supervisor. Employees who leave work for non-emergency situations will receive disciplinary follow-up for failure to provide adequate notice or preplan/communicate life contingencies.

## 10.2 ARC POINT SYSTEM FOR ATTENDANCE AND DISCIPLINARY ACTION

An employee may not exceed 100 points in a 6-month period. The Point System applies to both attendance and disciplinary infractions. Disciplinary Action and Attendance work on the same Point System. The points earned against attendance violations and disciplinary actions are combined into a single running total.

### Attendance Points

<u>Absence</u>	<u>Points</u>
1-7 minutes late	2
7 to 15 minutes	6
>15 minutes	10
Unexcused absence	30
No-call/No-Show	75

## Disciplinary Action Points

The scale listed below defines point usage for the defined Corrective Action.

<u>Corrective Action</u>	<u>Points</u>
Verbal Warning	0
Minor Write-Up	15
Major Write-Up	30
Critical Write-up	75

*Verbal Warning:* A verbal warning is given for the first instance of a minor policy violation or subpar performance. A verbal warning is an opportunity for management to make sure that expectations have been clearly and unambiguously set with the employee.

*Minor Written Warning:* The purpose of the minor written warning is to address a performance or behavioral problem by discussing it with the employee and providing a written record of that conversation. A written warning is utilized when the incident to be addressed is severe enough to require more formal disciplinary action or a recurring pattern of behavior is identified.

*Major Incident Write-up:* A major incident write-up addresses an infraction that is deemed severe enough to require a higher level of disciplinary action or for a repeated previously documented offense.

*Critical Incident Write-Up:* Critical incident write-ups are used for serious policy violations, behaviors that compromise the safety or productivity of the workplace, or offenses that have been addressed on multiple previous occasions.

Corrective Action is determined by the Management Team. The decision as to which form of disciplinary action is most appropriate to a given infraction is at the discretion of the Human Resource Team. In some cases, the infraction may be severe enough to warrant immediate termination.

## 10.3 EMPLOYMENT TERMINATION

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

- 1) Resignation - voluntary employment termination initiated by an employee
- 2) Discharge - involuntary employment termination initiated by the organization
- 3) Layoff - involuntary employment termination initiated by the organization for workforce reduction or lack of work

ARC reserves the right under employment-at-will to terminate any employee at any time when it considers the termination to be in the best interest of the company. When feasible, employees may be given warning that they are in jeopardy of losing their jobs. Involuntary



terminations may occur because of lack of work, restructuring, or for unacceptable performance or personal conduct.

Reasons for an involuntary termination may include but are not restricted to chronic absenteeism, tardiness, safety violations, policy violations, failure to follow process, theft, insubordination, misconduct and unsatisfactory job performance.

Employees will be responsible for returning all equipment or property belonging to the company. Failure to return will result in payroll deduction from their final check.

#### 10.4 STANDARD OF CONDUCT FOR LANGUAGE

The use of profane, foul, obscene, insulting, or crude language, inappropriate jokes, racial slurs, sexual comments, or the making of verbal threats (even if spoken in non-standard English/foreign languages) is considered disrespectful, demeaning, and abusive. This abuse usually causes great anxiety and stress for the recipient and may give the recipient reason to be concerned for their safety and well-being. Vulgar and offensive language can cause real harm, cross the boundary of appropriate conduct, and may even disrupt the entire workforce.

ARC will not tolerate any employee's language, whether intentional or unintentional, that results in harassment, discrimination, or creation of an offensive work environment. This specifically includes, but is not limited to, derogatory comments aimed at a person because of their sex, race, religion, creed, national origin, disability, age, or sexual orientation.

All complaints must be directed to the Human Resources Department. All complaints will be investigated promptly, and necessary immediate and appropriate action will be taken to stop and remedy any such conduct. Any manager, supervisor, or employee found in violation of this policy will be terminated. ARC has zero tolerance for this type of behavior.

#### 10.5 EMPLOYEE CONDUCT AND WORK RULES

Rules and standards are necessary to protect the health and safety of all employees, to maintain uninterrupted service, and to protect the Company's goodwill and property. America's Remanufacturing Company (ARC) expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization.

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

- Theft of, inappropriate removal of, or possession of property not belonging to the employee
- Sleeping on the job
- Talking on a cell phone or texting during work hours

- Fighting or threatening violence in the workplace
- Disruptive activity in the workplace
- Negligence or improper conduct leading to damage of company-owned property
- Insubordination or disrespectful conduct
- Wearing earplugs while driving a forklift or operating company equipment
- Violation of health and safety rules
- Violation of gossip policies
- Excessive absenteeism or any absence without notice
- Unsatisfactory performance or conduct
- Sexual or other unlawful or unwelcomed harassment
- Smoking in prohibited areas
- Violation of personnel policies
- Foul and Offensive Language
- Possession of Illegal Drugs or Weapons on ARC's Premises
- Fake Work Excuse

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

## 10.6 UNAPPROVED BREAKS AND LOITERING

For the sake of productivity and physical safety/accountability, floor employees are expected to remain in their assigned work area throughout their shift. Leaving their assigned work area should be done with the approval of their direct or department supervisor. Employees who are found outside of their assigned work area, specifically in other duty areas, without permission will receive a disciplinary action. In cases where the employee is causing active distraction to other employees or hampering the productivity of the business, the employee may be terminated.

Employees are not allowed to take unapproved breaks outside of the regular break schedule without specific approval from their department manager. If an employee is feeling sick or fatigued and feels they need to leave the work area, they should speak to their supervisor immediately. Employees who take unapproved breaks will receive a disciplinary action no less than a critical write-up.

## 10.7 HARASSMENT POLICY AND COMPLAINT PROCEDURE

ARC is committed to maintaining a work environment that is free of harassment of any sorts. In keeping with this commitment, we will not tolerate unlawful harassment of our employees by anyone, including any supervisor, co-worker, or third party. Harassment consists of unwelcome conduct, whether verbal, physical or visual, that is based on a person's race, color,

origin, religion, age, sex, gender, or disability. Harassment that interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment will not be tolerated.

Harassment may include derogatory remarks, epithets, offensive jokes, the display, or circulation of offensive printed, visual, or electronic items, or offensive physical actions. Sexual Harassment deserves special mention; see the policy on sexual harassment.

All employees are responsible for helping to enforce this policy against harassment. Any employee who has been the victim of prohibited harassment or who has witnessed such harassment must immediately notify Management so the situation can be promptly investigated and remedied. It is our policy to investigate all harassment complaints thoroughly and promptly. To the fullest extent practicable, ARC will maintain the confidentiality of those involved. If an investigation confirms that harassment has occurred, ARC will take corrective action that will most likely lead to termination. ARC forbids retaliation against anyone who has reported harassment or who has cooperated in the investigation of harassment complaints.

## COMPLAINT PROCEDURE FOR HARASSMENT

ARC has established the following procedure for lodging a complaint of harassment, discrimination, or retaliation. The company will treat all aspects of the procedure confidentially to the extent reasonably possible.

1. Complaints should be submitted as soon as possible after an incident has occurred, preferably in writing. The HR director may assist the complainant in completing a written statement or, in the event an employee refuses to provide information in writing, the HR director will dictate the verbal complaint.
2. Upon receiving a complaint or being advised by a supervisor or manager that violation of this policy may be occurring, the HR director will notify senior management and review the complaint with the company's legal counsel.
3. The HR director will initiate an investigation to determine whether there is a reasonable basis for believing that the alleged violation of this policy occurred.
4. If necessary, the complainant and the respondent will be separated during the investigation, either through internal transfer or administrative leave.
5. During the investigation, the HR director, together with legal counsel or other management employees, will interview the complainant, the respondent, and any witnesses to determine whether the alleged conduct occurred.
6. Upon conclusion of an investigation, the HR director or other person conducting the investigation will submit a written report of his or her findings to the company. If it is determined that a violation of this policy has occurred, the HR director will recommend

appropriate disciplinary action. The appropriate action will depend on the following factors:

- a) the severity, frequency, and pervasiveness of the conduct
- b) prior complaints made by the complainant
- c) prior complaints made against the respondent; and
- d) the quality of the evidence (e.g., firsthand knowledge, credible corroboration).

If the investigation is inconclusive or if it is determined that there has been no violation of policy, but potentially problematic conduct may have occurred, the HR director may recommend appropriate preventive action.

Senior management will review the investigative report and any statements submitted by the complainant or respondent, discuss results of the investigation with the HR director and other management staff as appropriate, and decide what action, if any, will be taken.

Once a final decision is made by senior management, the HR director will meet with the complainant and the respondent separately and notify them of the findings of the investigation. If disciplinary action is to be taken, the respondent will be informed of the nature of the discipline and how it will be executed.

## 10.8 SEXUAL HARASSMENT

ARC will not tolerate any sexual harassment of its employees. All workers, including supervisors and managers, will be subject to severe discipline, most likely including termination, for any act of sexual harassment they commit.

Sexual Harassment, as defined by the Equal Employment Opportunity Commission (EEOC), consists of unwelcome sexual advances (either verbal or physical), requests for sexual favors or other verbal or physical acts of a sexual or sex-based nature when (1) submission to such conduct is made either explicitly or implicitly a term of employment; (2) submission or rejection of the conduct is used as a basis for making employment decisions; or (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

This definition includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list of sexual harassment examples:

- Unwanted sexual advances
- Flirting – solicited or unsolicited
- Offering employment benefits in exchange for sexual favors
- Making threatening reprisals after a negative response to sexual advances

- Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects, pictures, cartoons, or posters
- Verbal conduct that includes making or using derogatory comments, epithets, or slurs
- Verbal sexual advances or propositions
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations
- Physical conduct that includes touching, assaulting, or impeding or blocking movements.

Employees who feel victimized by sexual harassment are encouraged to report the harassment to their supervisor immediately. All allegations of sexual harassment will be quickly and discreetly investigated. To the extent possible, your confidentiality and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment must immediately advise the Human Resources Manager, Production Manager, Operations Manager or President so it can be investigated in a timely and confidential manner. Anyone engaging in sexual or other unlawful harassment will be subject to disciplinary action, which will most likely include termination of employment with America's Remanufacturing Company. We have a zero tolerance for this type of behavior.

The same complaint procedure explained in the topic above for Harassment will apply.

## 10.9 GOSSIP IN THE WORKPLACE

Workplace gossip is distractive and disruptive, injurious to morale and productivity and will not be tolerated. Employees are asked not to participate. While idle chit-chat and other light conversation are valued neutral, gossip is often negative, inflammatory, and embarrassing to the person being spoken of. Technically, any sharing of trivial or unsubstantiated information can be considered gossip.

Gossip can have many adverse effects on the organization; it can increase conflict and decrease morale, which results in poor productivity. Gossip damages teamwork and can cause a toxic work environment.

ARC is committed to providing a healthy work environment. If an employee feels they are the target of any gossip, the Human Resources Department should be notified. We will not tolerate this behavior and it is considered a violation of company policy. This behavior will lead to disciplinary action that could include suspension or termination of employment.

## 10.10 SOCIAL MEDIA POLICY

Employees are expected to treat ARC and their fellow employees with professionalism in the public sphere. This includes representations of the company, ARC's customers, or fellow employees on social media platforms. ARC will respond severely to any posts on social media platforms that are inappropriate or harmful to the company, its employees, or its customers. This includes, but is not limited to, posts that are defamatory, pornographic, proprietary, confidential, harassing, libelous, or that create a hostile work environment. This also includes the sharing of pictures or content from the company or other employees without their express permission.

Should an employee's comments, posts, or circumstances solicit attention from the media or from a legal body as concerns ARC, the employee should direct this attention to the Human Resource Department. Failure to do so will result in termination.

## 10.11 PERSONAL APPEARANCE

Dress, grooming and personal cleanliness standards contribute to the morale of all employees. Common sense regarding personal appearance always prevails, but there are some specific issues that apply. You are expected to present a tasteful appearance; you should dress and groom yourself according to the requirements of your position. The following specific rules apply to all employees at any ARC location:

- Closed-toe shoes are required. Flip flops, crocs, and sandals are never acceptable.
- Clothes should not have large holes, rips, or tears. Pants should have no holes more than two inches above the knee.
- Shoulders must be covered. Tank tops are not allowed for men or women.
- The midriff must be covered.
- Shorts must cover at least half of the thigh.
- Undergarments should not be visible.
- Only crew and V-neck necklines are approved; there should be no plunging necklines.
- There may be no profanity, obscenity, or drug/alcohol related messages on any visible garments.

Employees dressed inappropriately will be sent home at no expense to the employer.

If you have questions or concerns about a particular piece of apparel, please contact the Human Resources Manager.

## 10.12 BRANDING POLICY

Employees must seek permission from the Branding and Marketing department before applying the ARC logo to any personal items or apparel. ARC provides purchasable branded apparel and

products for interested employees that are shoppable on our website. Failure to receive approval before branding merchandise will result in disciplinary action up to or including termination.

Employees who sell ARC branded product for profit without express, written permission by the Branding and Marketing department will be terminated.

### 10.13 DRUG AND ALCOHOL USE

ARC strongly supports a drug-free environment. Substance abuse is detrimental to the Company's operational objectives as well as to the health and safety of our employees. Our company believes that a healthy and productive work force and safe working conditions free from the effects of drugs and alcohol are important not only to the Company, but also the employees and the public. The abuse of drugs and alcohol creates a variety of workplace problems, including increased injuries on the job, increased absenteeism, increased workplace theft, decreased employee morale, decreased productivity, and a decline in the quality of services and products we provide.

Employees that drive motorized equipment, such as electric pallet jacks, forklifts, or any moving equipment may be subject to random drug testing if Senior Management suspects the use of drugs or alcohol. Suspension may arise from behavior changes, decrease in productive activity, increased absenteeism, and admission of drug use or visual impairment. Employees that test positive will be terminated.

Employees found using, selling, possessing, or distributing any alcohol or illegal or unauthorized drugs while on ARC's premises will be terminated. Employees who come to work clearly under the influence of drugs or alcohol will be terminated. Employees who come to work smelling like they have recently been in contact with alcohol or illegal substances will be presumed to be under the influence and they will be terminated.

ARC will utilize both Law Enforcement K-9 units and our own professionally trained and certified narcotics dog to ensure a drug-free work environment. This will include unannounced searches of the facilities by these trained dogs. Employees are required to cooperate with these searches. Employees with possession of illegal drugs or firearms will be subject to law enforcement guidelines and will be terminated.

America's Remanufacturing Company respects an employee's right to privacy concerning any medical condition or prescription drugs that an employee may be prescribed. We will continue to ensure and be committed to provide a safe work environment for all employees. In some instances when certain medications have been prescribed that may restrict certain activities or hinder the level of performance that is expected from ARC, it is the employee's responsibility to notify the employer that medication has been prescribed by a physician. Some side effects may affect performance or threaten job safety. Therefore, a medical report from a doctor must

be presented stating that normal activities can be performed while under the prescribed medication. Every employee has the right to privacy and can be assured that right will be respected.

The company will conduct drug/or alcohol testing under any of the following circumstances:

**For Cause Testing** – The Company may ask an employee to submit to a drug and/or alcohol test at any time it feels that the employee may be under the influence of drugs or alcohol, including, but not limited to the following circumstances: evidence of drugs or alcohol on the employee or in the employee’s vicinity, unusual conduct on the employee’s part that suggest impairment or influence of drugs or alcohol, negative performance patterns, or excessive and unexplained absenteeism or tardiness.

**Post Incident Testing** – Any employee involved in an on-the-job incident or any workplace injury will be subject to Post Incident Drug Test. Employees who test positive will be terminated and their claim may be denied by the Workmen’s Comp Insurance Company.

Employees with questions about this policy or issues related to drug or alcohol use in the workplace should raise their concerns with the Human Resources Manager, Operations Manager, Production Manager or President of the Company.

#### 10.14 WEAPON-FREE WORKPLACE POLICY

To ensure that ARC maintains a workplace safe and free of violence for all employees, the company prohibits the possession or use of dangerous weapons on company property.

All ARC workers are subject to this provision, including contract workers and temporary employees as well as visitors and customers on company property. A license to carry the weapon on company property does not supersede company policy. Any employee in violation of this policy will be subject to disciplinary action, up to and including termination.

To provide protection against an incident of employee violence or an active shooter incident, specific management staff may be granted permission to possess firearms upon completion of a weapons safety course and certification by the Richmond County Police Department or equivalent national defense body. Disclosure of these persons shall be provided to, and only to, the Director of Human Resources and the local authorities.

#### 10.15 COMPANY MONITORING

ARC reserves the right to install security cameras in work areas for specific business reasons, such as security, theft protection or protection of proprietary information.

ARC finds it necessary to monitor work areas with security cameras when there is a specific job- or business-related reason to do so. The company will do so only after first ensuring that such action follows state and federal laws.



Employees should not have any expectation of privacy in work-related areas.

Employee privacy in nonwork areas will be respected to the extent possible. ARC's reasonable suspicion of onsite drug use, physical abuse, theft, or similar circumstances would be possible exceptions. Legal advice will be sought in advance in such rare cases where nonwork-area privacy must be compromised.

Employees should contact their supervisor or the human resource (HR) department if they have questions about this policy.

## 10.16 EMPLOYEE AND VISITOR SEARCH POLICY

ARC reserves the right to conduct searches to monitor compliance with rules concerning security of company and individual property, drugs and alcohol, and possession of other contraband items. ARC reserves the right to search employee's work areas, lockers, vehicles if driven or parked on company property, bookbags, purses and other personal items. When employees are subject to the random search, ARC is not accusing anyone of breaking the law or company policy or committing a crime.

All ARC employees and visitors on our property are subject to this policy.

Refusal to comply with this policy could result in termination of employment.

## 10.17 CELL PHONES AND PICTURE-TAKING DEVICES

ARC interfaces with many elements of our client's business from product to data that would be considered proprietary or confidential. Therefore, it is mandatory that ARC function in a way that does not compromise this relationship.

The presence of items that can be used to take pictures are forbidden from all spaces in ARC where client product is handled unless specific authorization is given by a Facility Operations Manager, Executive, or the Director of Human Resources. If an employee is found with a picture-taking device on their person while in one of these spaces, they will receive a critical disciplinary action up to and/or including termination.

Cell phones are considered picture-taking devices and are restricted from any space where client product is handled unless specifically authorized as notated on the employee's badge.

Employees may have their cell phones during their breaks and may use them outside the facility or in designated break areas. Employees may give schools and daycare providers the office number to contact in case of an emergency.

## 10.18 HEADSETS AND RADIOS

Headsets, speaker, or ear buds are not allowed to be used while working as this creates distraction and obstructs hearing which could contribute to a workplace accident. Individual radios or any type of personal musical devices are also not allowed.

## 10.19 FOOD AND DRINK POLICY

To keep our workspaces sanitary and uncluttered as well as to protect our employees from getting sick from contaminations on products they are handling, all food (sealed or unsealed) and open beverages are restricted to breakrooms or private office spaces. "Food" includes any edible consumable such as candy, snack bars, single-serve snacks, etc. Any employee in breach of this policy will receive a disciplinary action no less than a critical write-up.

Drink containers that can be sealed shut with a cap or lid are permitted on the work floor for the purpose of hydration or stimulation. Acceptable containers are ones that do not lose the liquid contents when tipped sideways or upside-down. Pop-top cans or open-topped travel mugs are not approved containers.

Should a facility provide water stations with coolers and cups during the hot summer months, these stations will be clearly designated with trash receptacles for the cups. Employees should not leave these designated stations with cups of water. Water should be consumed, and cup disposed of before the employee returns to the line.

## 10.20 BAG, LOCKER, AND REFRIGERATOR POLICY

In order to keep the work area clear from clutter, hazards, and distractions employees may not have any personal bags, sacks, and purses on the work floors. Containers that are being used for tools and supplies must be approved by the Facility Operations Manager and notated on the employee's badge by a member of the Human Resource team.

Lockers are provided in some ARC facilities for the purpose of securing personal effects. An employee can claim no more than one locker. If an employee chooses to use a locker, they MUST lock it. ARC is not responsible for any personal belongings that go missing while an employee is at work. Unsecured lockers will be emptied daily. All lockers will be emptied each weekend. Any locks left on the lockers will be cut off and any belongings left in the lockers will be discarded.

Refrigerators are provided in ARC breakrooms for employee use. Refrigerators will be emptied daily and all contents disposed of. ARC is not responsible for any food that is stored in the refrigerators.

## 11.0 HEALTH & SAFETY

### 11.1 WORKPLACE INJURIES

ARC is committed to providing all employees with a safe work environment. We have in the past and will continue to provide our employees with essential safety gear and equipment to perform their daily tasks. Employees should contact their supervisor if they feel that additional equipment is needed.

- Notify your supervisor as soon as an accident happens.
- The supervisor will evaluate any injury and decide whether medical attention is needed.
- In case of a serious injury, call 911 at once or take the employee to the hospital for immediate and medical attention.
- Management should be notified immediately after an accident occurs. All near misses, any minor cuts, scratches and falls of any sort should be reported even if an employee does not need to seek medical attention.
- All employees that seek medical attention will be required to take a drug test. If the drug test is positive, the employee may be terminated.
- A full investigation will be conducted immediately after every injury or incident. We will interview fellow employees and all witnesses. ARC will determine why the accident occurred and what measures we can take to keep the accident from recurring. If the result of the investigation is found to have been caused by gross negligence on the employee's part due to violation of safety policies, or failure to wear protective equipment, the employee will be subject to disciplinary action that could result in termination of their employment.

Any employee that has concerns regarding safety should contact the Human Resources Manager, Director of Safety, Production Manager or President of the Company.