



*Your Enclosure Source* ®

# Employee Handbook

Effective May 2019



Welcome

On behalf of all of us at Saginaw Control & Engineering, Inc. (SCE) we welcome you to our team of employees and we are pleased that you have selected our Company as a place of employment.

SCE has become a leader in our industry because of hard work, efficient operations and cooperation among all of our employees. We sincerely hope your employment with us will be long and rewarding.

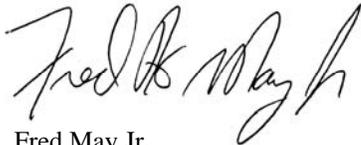
This Handbook applies to all SCE employees – office, production, salaried and hourly. It is designed to provide you with information about working conditions, employee benefits and some of the policies, procedures and rules affecting your employment.

This Handbook does not constitute a contract or agreement. It is expected that SCE will review, update and improve this Handbook on a regular basis.

Success and happiness in your work depends a great deal on your understanding of what is expected of you. Please read, understand and become familiar with all provisions of this Handbook.

This revised Handbook is effective May 2019.

Very truly yours,

A handwritten signature in black ink, appearing to read "Fred May Jr.", written in a cursive style.

Fred May Jr.  
President

## Table of Contents

401(K) Retirement Savings Program	16-17
Acknowledgement and Receipt of Company Handbook	21
Appliances, Radios, and Televisions	11
Bereavement Pay	6
Confidentiality	11
Dental Insurance	16
Direct Deposit	5
Discrimination and Harassment	9
Employee Reports and Investigations Policy	9-10
Employment Applications	8
Employment at Will	3
Employment of Relatives/Romantic Relationships	11
Employment Status	3
Equal Employment Opportunity	10
Gift and Gratuity Policy	9
Health Insurance	16
Holidays	15-16
Injuries	12
Jury Duty	15
Leaves of Absence	7-8
Leaving the Company	12
Life Insurance	16
New Employees	3
No Solicitation or Distribution Policy	8
Off Duty Employees	11
Open Door Policy	3
Overtime and Overtime Pay	4
Performance Appraisals	4
Personal Appearance and Dress Code	13-14
Personal Status Changes	3
Prescription Safety Glasses	6
Safety Policy	12
Safety/Employee Protective Equipment	11
Short Term Disability	16
Substance Abuse Policy	5
Supervision	5
Telephones/Cell Phones and Pagers	6
Tobacco	6
Use of Computers, E-mail, and Company Property	6-7
Vacation	14
Work Rules	17-18
Work Week/Hours/Shifts	4
Workplace Threats and Violence	10



## New Employees

All new employees must complete required federal, state and local withholding forms along with applicable fringe benefit forms. All employees are required to read this booklet and acknowledge such as a condition of employment prior to start date.

On their 90th day of service, new full time employees will be eligible for all benefits except 401K retirement savings plan, short term disability, and jury duty.

Part-time, temporary and on call employees are not eligible for benefits.

Any employee whose employment is separated and is subsequently rehired is considered a newly hired employee.

## Open Door Policy

You are encouraged to discuss all work-related problems and concerns with your supervisor. However, we recognize that this approach may not always be satisfactory. For this reason we have instituted an open door policy directly with the SCE President, Fred May, Jr. or with the Plant Manager, Jerry Sims.

SCE promises that you can bring your problems and concerns directly to Fred or Jerry. At your request, all discussions between yourself and Fred or Jerry will remain strictly confidential, recognizing that such confidentiality could affect our ability to reach a solution to your problems or concerns.

We promise to give you a straightforward answer as soon as possible.

## Employment at Will

Employment at SCE is “at will” meaning that you may leave your employment at any time, with or without cause, and with or without advance notice. Likewise, SCE may terminate your employment with or without cause, and with or without advance notice at any time.

No representative of SCE other than the President, Fred May, Jr., has the authority to enter into an agreement of employment for any specified period of time or to in any way change the at will relationship. Any such agreement must be in writing and signed by the President.

## Employment Status

- A. Regular full time employees are employees who are regularly scheduled to work thirty (30) or more hours per work week and who shall be entitled to all employee benefits after being employed for ninety (90) calendar days.
- B. Regular part time employees are employees who are regularly scheduled to work less than thirty (30) hours per work week and who will not be entitled to any employee benefits except where specifically stated otherwise in this Handbook.
- C. Temporary or seasonal employees are full time or part time employees who are employed for limited periods of time who may become re-employed from year to year. These employees shall not be entitled to any employee benefits except where specifically stated otherwise in this Handbook.

## Personal Status Changes

Notify your supervisor or the Director of Human Resources if you have any of the following changes:

Loss of driver’s license.  
Number of dependents.  
Address.  
Phone number.  
Marital status.



## Work Week/Hours/Shifts

The normal work week for full time employees shall be from eight (8) to twelve (12) hours in a particular scheduled work day. A normal work week will consist of five (5) consecutive working days followed by two (2) days off. The normal work week is generally Monday through Friday, but could be any five (5) consecutive days depending on production demands.

Each full time hourly or non-exempt salaried employee shall be entitled to breaks based on their schedule. SCE will provide at least two (2) fifteen (15) minute paid breaks or one (1) thirty (30) minute unpaid lunch period and two (2) ten (10) minute paid break periods each work day. The time and amount of breaks will be scheduled by supervision. A third ten (10) minute break period will be provided for hourly production employees working twelve (12) hours or more in a particular work day. Part time hourly employees shall receive one (1) ten (10) minute paid break for each four (4) hours of work.

Exempt salaried employees will be allowed lunch and break periods as their work permits.

Hourly production employees assigned to second shift will receive a nine (9%) percent shift premium. The nine (9%) percent will be added onto their regular hourly pay. First shift hourly production employees who work overtime on second shift scheduled hours will not be entitled to shift premium.

## Overtime and Overtime Pay

It is understood that there will be occasions when the demands of Company customers require the working of overtime in the production area of the plant. In the non-production area of the plant certain positions are such that overtime is a normal and expected part of the job.

Overtime will be paid under this policy to all hourly employees and all non-exempt salaried employees. Exempt salaried employees are not entitled to the payment of overtime. (Exempt or non-exempt refers to federal or state overtime laws.)

Overtime shall be paid for all hours that are actually worked over eight (8) in a work day, over forty (40) in a work week, and holidays. Overtime shall be paid at one and one-half (1 ½) times the employee's regular rate of pay for all hours worked on the sixth (6th) consecutive day of the employee's work week. Any time worked on the seventh (7th) consecutive day of the employee's work week or a holiday will be double the employee's rate of pay. If an employee works five (5) consecutive days, has a day off and works on the seventh (7th) day of the work week, the employee's pay will be one and one half (1 ½) times their normal rate for all hours worked on that day. The Company reserves the right to limit a particular employee to overtime pay based solely upon work performed over forty (40) hours in a particular work week and no other time, after an employee has five (5) or more unpaid days off from work (except for leaves of absence) during any particular calendar year, has an unexcused occurrence or is suspended without pay during a particular work week.

Overtime shall not be paid twice or pyramided for the same hours worked.

Supervision will schedule overtime when required. Employees may request to be excluded from overtime at the supervisor's discretion. Absences from mandatory overtime shall be considered in the same manner as absences during the normal work day.

As far as reasonably possible, employees shall be notified of Saturday or Sunday overtime assignments by the end of their shift on Thursday of that same work week.

## Performance Appraisals

Currently, production employees receive an appraisal of their overall work performance every six (6) months which normally has the possibility of a wage increase based upon results. Non-production employees will have their work performance and wages/salary appraised on at least a once a year basis. Evaluations may happen more or less frequently depending on the performance of an employee.



## Direct Deposit

Your paycheck may be directly deposited into your checking and/or savings accounts. Contact your supervisor or Human Resources to obtain an enrollment form. Electronic pay stubs will be emailed to employees that are enrolled in direct deposit. Employees choosing not to enroll in direct deposit will have their paper check mailed to them via USPS.

## Supervision

All employees will be assigned to a supervisor. Supervisors at Saginaw Control & Engineering, Inc. are chosen because they have demonstrated superior job related knowledge and leadership abilities.

*Your supervisor is your source for information regarding Saginaw Control & Engineering, Inc. company policies, work schedules and job related performance. If you want correct information, talk with your supervisor.*

One of your supervisor's most important functions is to guide you in your career at Saginaw Control. If you feel there is a problem that is affecting your work, then by all means discuss it. Almost any problem or situation can be worked out if it is brought out in the open and the people involved try to work toward an understanding and a solution.

## Substance Abuse Policy

SCE is committed to establishing and maintaining a safe work place free of substance abuse. As such the following actions are prohibited:

1. Use, possession, sale, manufacture, distribution or dispensation of alcohol, illegal drugs or unauthorized controlled substances while on Company premises, during work hours or otherwise engaged in Company business.
2. Being under the influence of an unauthorized controlled substance, illegal drug or alcohol while on Company premises or otherwise engaged in Company business.
3. Refusing consent to testing or refusing to submit a urine, blood, breath or other sample when requested by Company officials.
4. Post-accident testing may be required for any direct employee involvement in an accident occurring on Company premises, in Company supplied vehicles or while otherwise engaged in Company business.
5. Refusing to submit to an inspection when requested by Company.
6. Failure to adhere to the requirements of any drug or alcohol rehabilitation program in which the employee is enrolled.
7. Conviction under any criminal drug statute or failure to inform the Company within five (5) days after a conviction.

Under certain circumstances, SCE will consider continuing the employment of an employee who has violated a substance abuse rule on a one (1) time only basis, or of an employee who has volunteered that he/she has a substance abuse problem, provided the employee has or will enter into an approved rehabilitation program. A determination of continued employment for an employee who violates a substance abuse rule will be based upon consideration of the rule violated, the specific circumstances involved, as well as the employee's overall work record.

A second violation will result in automatic employment termination.

Employees who enter into a substance abuse program, or who are under a "last chance" agreement, may be required to comply with more stringent requirements than contained in this policy.

Employees are to inform their supervisor when using controlled substances whether or not under a physician's order, if usage could affect work performance or behavior.

Employees involved in safety sensitive positions who are subject to Department of Transportation regulations, such as certain truck drivers, will be required to remain in compliance with all such regulations.

Under the influence of alcohol is defined as an employee with a blood alcohol content of .04% and above. Being under the influence of an illegal drug or unauthorized controlled substance is defined as testing positive at a specified level.



## Bereavement Pay

Full time employees, after being employed for ninety (90) calendar days, shall be allowed up to three (3) regularly scheduled work days off with pay on the death of a current spouse, child, parent, brother or sister. The Company will be allowed its own discretion based on circumstances on allowance of paid time off in the case of a step-parent, step-child, step-sister or step-brother (one (1) such day off upon the death of a current father-in-law, mother-in-law, grandparent or grand-child). The time off must involve days on which the employee was otherwise scheduled to work. Additional days off may be allowed at the discretion of the Company which will be scheduled as vacation time.

For hourly employees, pay shall be eight (8) hours at their regular straight time rate of pay (salary employees to continue salary).

## Prescription Safety Glasses

After one year of full time service the Company will furnish safety glasses annually from the vendor of its choice based on the employee's current prescription. Employees with less than one year of full time service will be responsible for covering the cost of their prescription safety glasses and will be required to purchase approved styles through a vendor of the Company's choice.

## Telephones, Cell Phones and Pagers

Personal, non-emergency, phone use by employees in the production area of the plant is not allowed. Company telephones are to be used for business only, therefore no personal phone calls should be made or received.

Cell phones are not allowed in the production area and should be kept in the employee's locker. Employees are not allowed to take pictures in the production area of the plant without permission from their direct supervisor. Production employees can make personal phone calls on breaks and lunch periods through the use of cell phones. Cell phone usage during breaks and lunches is limited to non-production areas of the plant (i.e. break areas and outside the building).

Cell phones, pagers and similar devices should not be used so as to disrupt the employee or other employee's work time and so the ringing of such phones during work time, except for Company business is not allowed. No employees should be using work time for non-emergency personal cell phone usage.

Cell phones shall not be used while driving a Company truck or while driving any vehicle on Company business. The Company's policy is that the employee is expected to pull off of traffic and stop if the use of a cell phone is required.

## Tobacco

In keeping with the intent of the Company to provide a clean, safe and healthful work environment, tobacco of any kind is prohibited in all enclosed areas within this worksite without exception (This includes the use of electronic cigarettes). This includes common work areas, auditoriums, classrooms, conference and meeting rooms, private offices, elevators, hallways, medical facilities, cafeterias, employee lounges, stairs, restrooms, employer owned or leased business vehicles, and all other enclosed facilities. Certain areas outside of the plant will be designated as areas where the use of tobacco products will be permitted if on an employee's non-work time.

This non-smoking policy is required by Saginaw County Regulation. Employees are expected to assist Employer with maintaining a smoke-free environment by informing non-compliant visitors to our worksite of this smoking ban.

## Use of Computers, E-mail and Company Property

Computers, computer files, the e-mail system, Internet access, software and passwords (collectively "computer systems") and cell phones furnished to employees are SCE property intended for business use. Any personal use must be limited to situations and times approved by the employee's immediate supervisor and which does not interfere with Company business or Company work time.



## Use of Computers, E-mail, and Company Property (Continued)

The Company reserves the right to enter, search and monitor the computer systems or cell phones of any employee without advance notice. For more specific information regarding computer systems and cell phones see the information systems acceptable use policy.

The computer systems shall not be used to browse, download, create or communicate discriminatory, offensive (sexual or otherwise), defamatory or profane information of any nature. Particular concern should be given in the use of e-mail which should not be used to solicit or express beliefs to others relating to commercial ventures, religious or political causes or beliefs, or any other non-business matters.

If an automobile or truck is furnished to an employee, it is understood it will not be for personal use. Any personal use of a company vehicle may be considered taxable income to the employee by the IRS. Employees must comply with all federal, state and local laws in connection with the use of a company vehicle. Management may restrict or revoke an employee's right to operate a company owned vehicle. Any employee who is convicted of driving while intoxicated will forfeit the right to operate a company owned vehicle.

The company will not be responsible for any employee's violation of traffic laws.

## Leaves of Absence

### Section 1. Military Leave

SCE will abide by all provisions of the Uniformed Services Employment and Re-Employment Rights Act of 1994, providing for Military Leave of Absence and employee reinstatement rights.

### Section 2. Family Medical Leave Act Leave

SCE provides Family Leaves of Absence without pay to eligible employees who wish to take time off from work for up to twelve (12) work weeks in a twelve (12) month period for reasons relating to child birth, adoption, or foster care placement; an employee's serious health condition; or to care for a spouse, child, or parent (but not parent-in-law) who has a serious health condition. The twelve (12) month period is calculated backwards from the date an employee uses any family and medical leave.

Family leave to care for a newborn, adopted, or foster child must be completed within twelve (12) months from the date of the birth, adoption, or placement. Also, this type of leave cannot be taken on an intermittent or reduced schedule basis without prior approval.

If spouses are both employed by Employer, they are limited to a combined total of twelve (12) work weeks of family and medical leave during any twelve (12) month period if the reason for the leave is relating to child birth, adoption, or foster care placement or to care for a covered relative who has a serious health condition. However, if leave is for the employee's own serious health condition, each spouse is allowed twelve (12) work weeks of leave, less the amount of leave used for child birth, adoption, or foster care placement or to care for a covered relative who has a serious health condition.

You can have up to 26 weeks of unpaid leave in a single 12-month period to care for a covered service member with a serious injury or illness.

**Eligibility:** An employee must have been employed for at least twelve (12) months and have worked for at least 1,250 hours during the preceding twelve (12) month period in order to be eligible for family and medical leave.

**Application for Leave:** In all cases, it is the employee's duty to make the need for family and medical leave known to Employer and to furnish enough information regarding the reason for the leave so that the Employer can determine eligibility. The employee should state the reason for the leave, the duration of the leave, and the starting and ending dates of the leave.



## Leaves of Absence (Continued)

An employee requesting leave must complete an “Application for Family and Medical Leave” form, which can be obtained from and returned to the Human Resources Director.

A request for family or medical leave must be made at least thirty (30) calendar days in advance, unless the circumstances require that the leave begin in less than thirty (30) calendar days, in which case the request *must* be provided as soon as possible after the need for leave becomes known. Leave may be delayed if the advance notice requirements of this provision are not met.

If an employee believes that an absence should be considered family or medical leave, but the employer is not aware of the reason for the absence at the time the absence occurs, the employee must notify the employer of the reason for the absence within two (2) business days after returning to work.

In the absence of such timely notification, Family and Medical Leave Act (“FMLA”) protection for the absence may not be subsequently asserted and the absence will be considered under the Company’s Attendance and Tardiness rules.

Medical certification verifying information relating to a serious health condition and the need for leave may be required. Failure to timely provide the certification will result in a delay or denial of FMLA leave. The Employer reserves the right to request a second or third opinion at Employer’s expense.

**Pay & Benefits During Leave:** Employees must use one-half of any accrued, unused vacation days while on unpaid FMLA leave. Employees may elect to use some or all of the other half of any unused vacation days while on FMLA leave. If the employee qualifies for disability insurance or workers’ compensation benefits, that covered time is counted in the twelve (12) week FMLA leave period. Any paid vacation days, disability period or workers’ compensation period will be credited against the twelve (12) week FMLA leave period.

Health insurance will continue during family or medical leave. If an employee fails to return to work after expiration of the leave, the employee may be required to reimburse the Employer for health insurance premiums paid during the leave, unless the employee does not return because of his/her serious health condition or circumstances beyond the control of the employee.

**Return from Leave:** If an employee plans to return on a date other than the date specified in the original request for leave, the employee’s supervisor or the Human Resources Director must be notified as soon as the change of circumstances become known. The employee must provide at least two (2) business days’ notice. If an employee fails to report to work on the agreed upon return date, the employee will be considered to have resigned.

A return to work release from the employee’s doctor will be required where the leave was due to an employee’s own serious health condition. Except for those employees designated as “key employees,” employees will be returned to the same or to an equivalent position upon their return from leave.

## Employment Applications

SCE relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented through the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, employment discharge.

## No Solicitation or Distribution Policy

In an effort to ensure a productive work environment, persons not employed by SCE may not solicit or distribute literature in the work place at any time for any purpose. SCE recognizes that employees may have interests in events or organizations outside of the work place. However, employees may not solicit or distribute literature concerning those activities during working time. Working time does not include lunch periods, work breaks or any other periods in which employees are not on duty.



## Gift and Gratuity Policy

Saginaw Control & Engineering is committed to providing the highest quality products at the most efficient prices. In order to keep all business decisions free of bias SCE prohibits any employee from accepting gifts or gratuities from vendors, suppliers, customers or any other person or entity with which SCE may conduct business. Gifts and gratuities are defined as, but not limited to items with monetary value such as apparel, tickets to sporting or entertainment events, meals, liquor, food items, gift certificates or other items or services that may be meant to reward or sway business decisions. Employees are required to report to management all gifts and gratuities that arrive at SCE, regardless of their intended recipient.

## Discrimination and Harassment

SCE does not tolerate any harassment or discrimination against any employee for reasons of sex, color, height, weight, religion, national origin, age, handicap, disability, marital or familial status or any other characteristic protected by law. The Company is committed to providing a work environment that is free from discrimination and unlawful harassment, regardless of the source.

Harassment or discrimination may take many forms including but not limited to: slurs; taunting; verbal abuse; degrading comments or jokes; displaying objectionable cartoons, drawings, pictures or objects; and hostile or threatening actions, gestures, or physically interfering with normal work or movement.

Sexual harassment is a form of discrimination and is specifically prohibited by the Company. Sexual harassment is defined as unwanted sexual advances, visual, verbal or physical contact of a sexual nature. Some of the types of sexual harassment include but are not limited to the following: unwanted sexual advances; offering employment benefits in exchange for sexual favors; non-verbal conduct including sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or drawings; verbal comments including jokes, slurs or other derogatory comments; verbal abuse of a sexual nature including comments about an individual's body or sexually degrading words used to describe an individual; physical conduct, including touching, assaulting or blocking an individual's movements throughout the plant; and any other actions which tend to create a sexually hostile work environment.

Unwelcome sexual advances or requests for sexual favors and other verbal or physical conduct of a sexual nature constitutes sexual harassment when: submission to the conduct is made either an express or implicit condition of employment; submission to or rejection of the conduct is used as the basis for any employment decision affecting the harassed employee; and/or the harassment unreasonably interferes with the employee's performance or creates an intimidating, hostile or offensive work environment.

Any individual with questions or concerns about any type of harassment in the workplace is encouraged to bring these issues to the attention of Employer immediately in the manner set forth in Employee Reports and Investigations Policy.

## Employee Reports and Investigations Policy

SCE encourages employees to bring suggestions and concerns to management's attention so that issues can be addressed before they become problems and other improvements can be made in the work environment and operations.

In addition to use of the Open Door Policy, any employee or applicant who believes that he or she has been harassed, discriminated against, subjected to any form of unlawful activity or retaliated against based on any of the considerations listed in the Equal Employment Opportunity or Discrimination and Harassment policies by supervisors, co-workers, contract employees, subordinates, vendors, clients, etc., is required to promptly report the matter to their supervisor. If the supervisor is unavailable or an employee believes it would be inappropriate to contact that person, the employee should immediately submit a written report to the President or Human Resources Director. The matter will be handled in a timely and confidential manner, although it is understood that an investigation will normally require the involvement of third parties.



## Employee Reports and Investigations Policy (Continued)

All supervisors who are aware of or suspect any cases of harassment, discrimination, retaliation or any other unlawful activity in the work place are responsible for reporting such cases to the President. All employees who are aware of any cases of harassment, discrimination, retaliation or other unlawful activity in the work place are strongly urged to report such cases to the appropriate supervisor, the President, or the Human Resources Director without fear of reprisal.

Upon receiving the report, a prompt, thorough and impartial investigation will be conducted under the direction of the President or his designee. In determining whether the alleged conduct violates SCE policy, the totality of the circumstances, the nature of the alleged actions, and the context in which the alleged incident(s) occurred will be examined. SCE will take reasonable and appropriate action to ensure inappropriate activity does not occur again. The results of the investigation and any action taken thereafter will be communicated to the individual who placed the report. There may be instances in which an individual seeks only to discuss a concern informally, and does not wish SCE to undertake an investigation or to take further steps. SCE will attempt to honor the wishes of the reporting individual. However, SCE may decide that it must take action to address the concern beyond informal means.

**SCE will not permit any retaliatory conduct against any individual who comes forward with a genuine complaint or concern about harassment, discrimination or another issue or who assists in the investigation process. Prohibited retaliation includes any adverse act that might dissuade a reasonable employee or applicant from making or supporting a charge of discrimination, harassment or other alleged unlawful conduct.**

Any employee who engages in any form of prohibited harassment, discrimination, or other unlawful conduct; who engages in retaliatory conduct; or who falsely accuses another employee of such prohibited acts, will be subject to disciplinary action, up to and including termination of employment.

## Equal Employment Opportunity

In order to provide equal employment and advancement opportunities to all individuals, employment decisions will be based on merit, qualifications, and abilities. Employer does not discriminate in employment opportunities or practices on the basis of an applicant's or employee's race, color, religion, sex, national origin, age, height, weight, marital or familial status, disability, service in the uniformed services, or any other characteristic protected by law.

This policy governs all aspects of employment, including hiring, training, job assignment, compensation, benefits, discipline, and termination.

Any individual with questions or concerns about any type of discrimination in the workplace is encouraged to bring these issues to the attention of the Employer immediately in the manner set forth in Employee Reports and Investigations Policy.

## Workplace Threats and Violence

The Company prohibits any violence or threatening actions on Company property or while performing Company business. The security of SCE employees, customers, visitors and all other persons who come in contact with employees is of utmost importance and verbal threats, verbal or non-verbal intimidating and threatening behavior will not be tolerated.

Bringing a weapon on Company property or while performing Company business is considered threatening behavior. A weapon is defined as firearms, knives, explosive or flammable materials, chemicals or similar items that could cause bodily harm or injury and are not required for job performance.

Employees are responsible for reporting violations of this policy. Threats or threatening behavior or weapons witnessed by an employee should be reported to the employee's immediate supervisor.

Employees who truthfully report potential employee violations of this policy will not be subject to reprisal or discipline in any way.



## Appliances, Radios, and Televisions

Personal items such as microwave ovens, refrigerators, toaster ovens and similar appliances are not allowed on the premises. Because of safety concerns, personal radios, televisions and other electronic devices are not allowed in the production area of the plant. Usage of personal radios, televisions and other electronic devices outside of the production area of the plant must be limited to situations and times approved by management and which does not interfere with Company business or Company work time.

## Off Duty Employees

Off duty employees are allowed on SCE property only for limited, specific purposes such as to pick up their paycheck or other proper business purposes. Limited exceptions to this rule exist for employees who appear early for work and wish to relax prior to beginning their work day.

## Employment of Relatives/Romantic Relationships

It is the policy of SCE to avoid hiring, transferring or promoting relatives of employees into situations where the possibility of favoritism or conflicts of interest may exist. The employment of relatives generally will be considered only in cases where placements and transfers can be arranged so that relatives cannot be working in direct supervisory/subordinate relationships.

The Company recognizes that consensual, romantic relationships between employees may take place from time to time. Romantic relationships between an employee and another employee who directly supervises that employee will not be allowed because of the potential for conflicts of interest. In such a case, the employees are required to report their relationship to the Company President or the Human Resources Director and a transfer of one (1) of the employees or some other arrangement will take place.

## Confidentiality

All records and information pertaining to SCE customers is strictly confidential. Information concerning Company pricing, product line, costs and manufacturing capabilities are also confidential. Employees and former employees are expressly forbidden from disclosing any such information to any person without the express authority of SCE management.

Any breach by an employee or former employee of obligations under this Agreement will result in irreparable injury to SCE for which damages and other legal remedies will be inadequate. In seeking enforcement of any of these obligations, SCE will be entitled (in addition to other remedies) to preliminary and permanent injunctive and other equitable relief to prevent, discontinue and/or restrain the breach of this Agreement.

## Safety/Employee Protective Equipment

The safety and health of all employees is a priority at SCE. Proper safety procedures will be explained through training, written notices and/or safety rules.

Each employee is expected to obey safety rules, use common sense and exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees are required to inform their immediate supervisor without delay.

Personal protection equipment is used throughout the production area of the plant, depending on the work involved. Certain jobs require work shoes with steel toes which are at the employee's expense. Other jobs require special clothing, ear protection, protective equipment or protective headgear which is at the expense of SCE. Safety glasses with side shields provided at the expense of the Company must be worn at all times in the production area of the plant. It is the responsibility of each employee not to lose safety glasses and keep them in good condition.



## Safety Policy

The safety and protection of all employees at Saginaw Control & Engineering is a priority consideration in our day-to-day operation. Management has a deep and abiding conviction that it is everyone's responsibility to have a clean, safe and hazard free environment. No company has ever made significant progress by being "interested in" or "concerned about" safety. Commitment to our safety program means improved processes, improved working conditions, improved training of supervisors and employees improved control over safety and work rules.

We believe that our safety program will contribute greatly toward a safe and accident free operation.

Your whole way of life could change in an instant. A moment of carelessness—an unsafe condition unreported could stop you from doing the things you enjoy, forever. There is a chance for injury to occur in any work situation. No one ever plans an accident. None of us want to get hurt. However, the idea that accidents just happen is pure nonsense. We can all cooperate to prevent accidents and injuries. It begins with a decision. A decision to focus on safety. It happens with a commitment. A commitment by everyone to make Saginaw Control & Engineering a safe place to work.

SCE Management has pledged their full support to a safety program at Saginaw Control & Engineering. This is a serious program in response to a serious subject. Begin this safety program with a decision. Follow that decision with a commitment.

Remember: It's your life—Keep it safe!

## Injuries

In case you are injured on the job, you must report the injury to your supervisor immediately. This is for your own protection in case something further develops later. The company is responsible for payment of your medical expenses only if the company has authorized medical treatment. All occupational injuries or illness (work related) are covered under the Federal and State Workman's Compensation Laws. Saginaw Control reserves the right to designate the medical provider during the initial twenty-eight (28) days after the occurrence of a work related injury or illness.

In the event of a workplace accident, a drug test may be administered.

## Leaving the Company

If you plan on leaving the company, please do so in writing and with at least 1 week's notice.

For computation of health insurance benefits, holiday pay and vacation reimbursement, a separated employee is defined as one who has: voluntarily quit, been discharged, been placed on indefinite layoff, abandoned employment, been granted a non-medical leave of absence or is off due to a work related injury or illness.

Due to unforeseen circumstances or economic conditions, employees may be placed on temporary or indefinite layoff. Employees to be placed on layoff, will be determined by management. The employment relationship will cease for any employee who is laid off more than 90 consecutive calendar days.

**FINAL PAYCHECK:** Final wages will be available to separated employees on the next regular pay day for the pay period in which separation occurred. Separated employees will be paid overtime for only those hours worked in excess of 40 in a pay period.

The final paycheck of employees whose employment has been terminated, will be withheld until all company equipment and material in their possession is returned. This procedure will also apply to any rental garment(s) contracted through the company.

**ACCUMULATED VACATION PAY:** Vacation reimbursement will be available to separated employees in accordance with the customary distribution of this benefit. Hourly employees who terminate their employment for any reason will receive pay for the vacation time they have accrued for the period worked during that working year. Salary employees vacation time is part of their salary agreement and thus will not receive a payout for vacation time.



## Personal Appearance and Dress Code

Employees are expected at all times to present a professional, businesslike image to customers, prospective employees and the public. Acceptable personal appearance, like proper maintenance of the work areas, is an ongoing requirement. Radical departures from conventional dress or personal grooming and hygiene standards are not permitted.

Non-production employees and employees who have regular contact with the public must comply with the following personal appearance standards:

### A. Clothing

1. Employees are expected to dress in a manner that is normally acceptable in similar business establishments
2. Employees should not wear suggestive attire, jeans, athletic clothing, shorts, sandals, strapless shoes, flip flop type shoes, backless shoes, t-shirts, novelty buttons, baseball hats and similar items of casual attire that do not present a business-like appearance
3. Old, worn-out, faded clothing should not be worn

### B. Hair

1. Should be clean, combed and neatly trimmed or arranged
2. Shaggy, unkempt hair is not permissible regardless of length
3. Any hair colors that are a radical departure from the norm will not be acceptable
4. Sideburns, mustaches and beards should be neatly trimmed

### C. Jewelry and Tattoos

1. Body piercing (other than earrings) should not be visible.
2. Male employees are not allowed to wear earrings
3. Tattoos should not be visible

On occasions, the Company may allow employees to dress in a more casual fashion than is normally required. On these occasions employees are still expected to present a neat appearance and are not permitted to wear rumpled or disheveled clothing, athletic wear or similarly inappropriate clothing.

Certain employees may be required to meet special dress, grooming and hygiene standards, such as wearing uniforms, depending upon the nature of the job.

Production employees who do not regularly meet the public should follow basic requirements of safety and comfort, but should still be as businesslike as working conditions permit.

Production employees must follow the following personal appearance and safety standards:

A. OSHA approved steel toed footwear is mandatory. The footwear must be in good condition and provide proper protection. Laces must be tied at all times.

### B. Clothing

#### 1. Work Pants

- a. Long work pants or jeans are acceptable
- b. Shorts are normally not acceptable however, shorts may be allowed for designated departments (subject to supervisor's approval) during summer months
- c. Wearing pants, jeans or shorts with holes, rips or frays is not acceptable at any time

#### 2. Work shirts

- a. Sweatshirts or t-shirts with full sleeve or half sleeve are required
- b. Muscle shirts or shirts with sleeves cut off are not acceptable
- c. Wearing shirts with holes or rips is not acceptable at any time
- d. Wearing clothing with suggestive or inappropriate wording is not acceptable
- e. Draw strings must be removed from clothing if the clothing is going to be worn in production environments

## Personal Appearance and Dress Code (Continued)

3. Clothing that is torn or has holes ripped or burned through are not acceptable. Nor is Clothing that is oversized or baggy to the extent that it creates a trip hazard or has the potential to become caught in a pinch point.

### C. Jewelry and Tattoos

1. SCE will require the removal of jewelry that presents a safety risk. Earrings or necklaces that may become caught in equipment or machinery is an example
2. Finger rings must be removed during working hours because they present a serious risk of injury
3. Body piercing that present the risk of infection or illness will not be allowed
4. Tattoos that may be suggestive, offensive or derogatory with regard to gender, ethnic heritage or spiritual belief must be covered.

### D. Hair that may become caught or tangled in equipment or machinery must be restrained

- E. If at any time your supervisor or another member of management informs you that your clothing is unacceptable you will be required to change

- F. All SCE personal protective equipment requirements will be strictly enforced. Please see your supervisor for the personal protective equipment requirements in your area.

Any employee who does not meet the standards of this policy will be required to take protective action, which may include leaving the premises, and which will result in making up the time lost for exempt salaried employees and/or loss of pay for hourly employees.

## Vacation

Full time employees shall be entitled to vacation calculated on a calendar year basis with employees receiving a pro-rated amount of vacation time off during their first year:

Year One (1)	Pro-rated Based on Established Formula
Year Two (2)	Seven (7) Days
Year Three (3)	Ten (10) Days
Year Four (4)	Twelve (12) Days
Year Five (5)	Fifteen (15) Days
Year Ten (10)	Twenty (20) Days

After an employee has five (5) or more unpaid days off from work during any particular calendar year (Excluding Military and Family leave) each unpaid day off shall deduct from available vacation time and will be paid out at the end of the year.

Employees will receive vacation pay on regular weekly pay checks as vacation days are used. Vacation may be taken in increments of one-half (1/2) a work day or a full work day at any one (1) time. It is highly encouraged that employees planning vacations or purchasing plane tickets turn in their vacation slips as soon as possible. Vacation slips turned in, in-advance will be scheduled (if approved) and returned to the employee within a 1 week timeframe of when it was turned in (Exceptions will apply to time requested off around holidays and high demand days).

A minimum 24 hour notice is needed for an employee to be scheduled a vacation day.

- The sooner notice is given the higher the chance the vacation day will be approved.
- Once a department has 15% scheduled on any one day, no one else can be scheduled on that day.

Vacation time off must be used during the calendar year that it is accrued. For hourly employees if the vacation time is not used in the calendar year they will be paid for any unused time at the end of the year, salary employees will lose any unused vacation days. Vacation pay for full time hourly employees should be based on eight (8) hours of regular straight time pay. Vacation pay for salaried employees will be made in accordance with their salary arrangements.

## Vacation (Continued)

Vacation entitlement will not accrue and so be reduced for twenty (20) work days of unpaid time off or more during the calendar year (e.g. layoff, leave of absence time off).

Employees who terminate their employment for any reason will receive pay for the vacation time they have earned for the period worked during that working year.

## Jury Duty

Full time employees, after being employed for 1 year of continuous full time service, who are called to and report for jury duty shall be compensated eight (8) hours of straight time pay (salaried employees to continue salary) for all scheduled work days spent performing jury duty up to the maximum of thirty (30) work days per calendar year. Compensation shall be limited to the difference between the employee’s daily hourly earnings (salary) and the daily jury fee paid by the court (excluding compensation for parking, mileage and/or meal allowance). In order to receive payment, an employee must inform the Company of his/her being summoned and must produce satisfactory evidence that jury duty was performed along with evidence of the hours of actual jury duty performance on the days which payment is claimed.

Employees should follow the guidelines for the shift that they work.

### 1<sup>st</sup> Shift:

A first shift employee that has to attend jury duty should follow these guidelines:

- If the employee has to attend jury duty first thing in the morning they should call the call in line and notify us that they will be attending jury duty.
- If the employee does not have to go to jury duty until the afternoon they should report to work in the morning as usual. They will be able to leave in time to attend jury duty.
- If the employee reports to jury duty in the morning and is let out early they should report to work afterwards. If they have a question about whether or not they should come in they should call and speak to their supervisor. If there is a reasonable amount of time we expect the employee to report back to work.

### 2<sup>nd</sup> shift:

A second shift employee that has to attend jury duty should follow these guidelines:

- If the employee has to attend jury duty the next day they will be released from work at 10:30pm.
- If the employee works a half day at jury duty they will need to report to work at their normal start time and work until 10:30pm.
- If the employee works a full day at jury duty they do not have to report to work, but they do have to call the call in line and notify us.

Employees who volunteer for jury duty will be excused from work on days to perform jury duty, but will not be entitled to any pay from the Company.

## Holidays

Full time hourly employees, after being employed for ninety (90) calendar days, will be paid eight (8) hours of pay at their regular straight time rate of pay for the following holidays:

New Years Day	Memorial Day
Independence Day	Labor Day
Thanksgiving Day	Christmas Day
Two (2) floating holidays as determined by the Company each year	



## Holidays (Continued)

Salaried employees will receive the above holidays off with pay after being employed for ninety (90) calendar days.

Hourly employees that are absent the day before or the day after a holiday (excluding vacation time) or are more than one (1) hour late for their scheduled start time will not be entitled to holiday pay.

If an employee arrives within one (1) of their scheduled start time they will receive holiday pay, less the amount of time they were late (i.e. If an employee is thirty (30) minutes late for their scheduled shift they will receive seven (7) hours and thirty (30) minutes of holiday pay).

When a holiday falls on an hourly employees vacation time off, he/she will be entitled to holiday pay in addition to vacation pay.

Employees who are otherwise off from work and not receiving normal wages (e.g. layoff, leave of absence) will not be entitled to holiday pay.

If the holiday falls on a Saturday or Sunday the Company will determine which scheduled work day of the week will be scheduled as the holiday.

## Health Insurance

Full time employees, after being employed for ninety (90) calendar days, shall be entitled to receive hospitalization/health care coverage for themselves and for their legal dependents. The cost of such coverage shall be fully paid by the Company.

## Life Insurance

Full time employees, after being employed for ninety (90) calendar days, shall be entitled to ten thousand (\$10,000.00) dollars of paid life insurance coverage as presently provided by the Company.

## Dental Insurance

Full time employees, after being employed for ninety (90) calendar days, shall be entitled to the Company's dental coverage. Dental insurance is voluntary and the insurance premiums are paid fifty (50%) percent by the Company and fifty (50%) percent by the employee. Dental insurance will be suspended for any leave of absence longer than 7 days. Dental insurance will be reinstated once the employee returns to full duty.

## Short Term Disability

Full time employees, after 1 year of full time continuous service will be eligible for Short Term Disability. This will apply to employees who are disabled and so are unable to work. Short Term Disability begins on the eighth (8<sup>th</sup>) day of an illness or the first (1<sup>st</sup>) day of an accident for up to a maximum of 12 weeks. The benefit shall be equal to 50% of 40 hours of regular pay. While on disability dental coverage will be discontinued.

The Company reserves the right to require a physician's statement with diagnosis and estimated return to work date before providing disability payments and before providing an employees acceptance to return to work.

## 401 (K) Retirement Savings Program

Full time employees who are at least eighteen (18) years of age and who have a minimum of one (1) year of service will be entitled to enrollment in the Company's 401(K) retirement savings program. Enrollment shall be on the first quarter following one (1) year of employment provided the employee is age 18 or older. If the employee does not enroll within the first quarter following one (1) year of employment they must wait until open enrollment periods which happen quarterly.



## 401 (K) Retirement Savings Program (Continued)

An employee may contribute from one (1%) percent to one hundred (100%) percent of their pay each plan year on a tax deferred basis. The Company will match fifty (50%) percent for the first four (4%) percent (or maximum of two (2%) percent) of pay an eligible employee contributes to the plan for up to a maximum of forty (40) hours each work week.

Eligible employees will be one hundred (100%) percent immediately vested in their own contributions. Company matched contributions will be vested at twenty (20%) percent at two (2) years of employee service, forty (40%) percent at three (3) years of employee service, sixty (60%) percent at four (4) years of employee service, eighty (80%) percent at five (5) years of employee service and one hundred (100%) percent at six (6) years of employee service.

## Work Rules

The following work rules are designed to act as a guideline and so not all improper employee actions are specifically referenced in these rules. Employees are expected to act in a respectful and responsible manner to all persons they come in contact with during the workday, as well as to consistently meet or exceed work performance expectations.

Except for attendance and tardiness, the degree of discipline involved for the formal discipline process is not automatically pre-determined and may result in a written warning, suspension, discharge and/or a “last chance” agreement, based upon the circumstances involved and the employee’s entire work record. It is not unusual, depending upon the employee conduct involved, for the employee to receive one (1) or more verbal warnings prior to the formal discipline process and such verbal warnings may or may not be placed in the employee’s personnel file.

If you will be tardy or absent, you must notify Saginaw Control before the start of your scheduled shift. All employees should call (989) 797-5520 to report tardiness or absences. The emergency contact number for all employees is (989) 797-5520. Attendance and Tardiness:

The following attendance and tardiness rules apply to all hourly employees, whether in the production area or office. Salaried employees are required to follow a higher standard of conduct, are expected to set an example for all other SCE employees and may be disciplined up to and including discharge at any time for unexcused absences or tardiness.

The violation of any attendance and tardiness work rules will still be considered “active” and so used for the basis for the next step of progressive discipline for twelve (12) consecutive months.

Consecutive work days off which are unexcused may be considered as separate rule violations.

Consecutive work days off without call-ins may be considered separate rule violations.

Employees who are absent two (2) or more consecutive work days are required, unless otherwise informed by their immediate supervisor, to call in each day of their absence.

Employees are allowed five (5) unscheduled days off per calendar year for any reason. Beginning after the fifth (5<sup>th</sup>) unscheduled day off (except for FMLA time off) employees will have their vacation time reduced by one half (1/2) of a day or a full day depending on the amount of time missed and will also thereafter during the calendar year be paid overtime based on work over forty (40) hours in a work week only. In addition, beginning after the fifth (5<sup>th</sup>) unscheduled day off, employees will be required to provide a physician’s written excuse or other sufficient proof that the unscheduled absence was excusable or the absence will be considered as being unexcused. On the eighth (8<sup>th</sup>) unscheduled day off in a calendar year an employee will be terminated.

It is the employee’s responsibility to be aware of their attendance record.

An unexcused absence is defined as:

1. An unscheduled absence, beginning after the fifth (5<sup>th</sup>) unscheduled absence and thereafter in any calendar year, for which an adequate excuse, including a physician’s written excuse in the case of illness or injury, is not provided to the employee’s immediate supervisor by the employee, or
2. A failure by an employee to call in on a scheduled work day.

## Work Rules (Continued)

The disciplinary action for an unexcused occurrence on a scheduled work day is as follows:

- First offense – written warning.
- Second offense – written warning (final).
- Third offense – subject to discharge.

Tardiness is understood as an employee clocking in to work after their scheduled work time. Beginning on the tenth (10<sup>th</sup>) tardy in any calendar year, the employee's tardiness will be considered as being unexcused unless a satisfactory reason, as accepted by the employee's immediate supervisor, is provided. If an employee clocks in more than one (1) hour after their scheduled starting time it will be recorded as one half (1/2) of a sick day.

When an employee calls in they are able to request paid leave time so they can be paid for their unscheduled absence.

- This request should be made at the time they call in.
- These days can be used in one-half (1/2), or full day increments and will deduct from their vacation time.
- An employee is allowed to do this for a maximum of five (5) days per calendar year (This will be prorated for an employee's first year).
- If an employee has used all of their available paid leave for scheduled absences they do not receive additional paid time for unscheduled absences.
- Within an employee's first ninety (90) days they are not allowed to use paid time off when they call in for an unscheduled absence.
- If the employee has an illness or medical emergency that will require them to miss consecutive days they should contact Human Resources.

Whether or not an employee requests paid time off does not have an impact on our attendance policy.

- Employees are still only allowed a maximum of seven (7) unscheduled days off per calendar year.
- On the eighth (8th) unscheduled day off an employee will be terminated.

### 2. General Work Rules:

- a. Dishonesty including theft, dishonest statement or falsifying any Company report, use of Company property for employee's personal benefit, punching another employee's time card and any other dishonest act.
- b. Insubordination or failure or refusal to perform work assigned by supervisor.
- c. Loafing, sleeping or other abuse of time during working hours.
- d. Violation of discrimination and harassment policy.
- e. Unsafe practices or violation of any safety rule.
- f. Violation of the policies of tobacco, dress code, cell phone, telephone, computer e-mail, radio or television, employment of relatives, romantic relationships, confidentiality, no solicitation or distribution, off duty, personal appearance or any other policy in this Handbook.
- g. Immoral or indecent conduct.
- h. Gross misconduct.
- i. Gambling.
- j. Willful damage to Company property.
- k. Violation of workplace threats or violence policy.
- l. Poor work performance.





## Acknowledgement and Receipt of Company Handbook

I have received a copy of the Employee Handbook for Saginaw Control & Engineering, Inc. (SCE). I understand that it is my obligation to read the Handbook carefully and to abide by its provisions.

I understand that the Employee Handbook replaces any and all prior handbooks and written policies of SCE and can be changed at any time at the sole discretion of the Company.

As a new employee I have entered into my employment relationship with SCE, or as a current employee I continue my employment relationship with SCE, voluntarily and acknowledge that there is not a specified length of employment. I understand my employment is "at will" meaning that at my option or at the option of the Company my employment can be terminated at any time, with or without cause, and with or without notice. Further, I agree that there are not any other arrangements, representations or understandings regarding the nature of my employment relationship. Only the President of the Company has the authority to establish a different employment relationship or to make any agreement contrary to the provisions contained in this Handbook. Any agreement with the President is required to be in writing and addressed to me individually in order to be enforceable.

I further understand that the Handbook outlines all of my privileges and benefits, as well as certain of my responsibilities and obligations as an employee of SCE. I am aware that the Employee Handbook does not constitute a contract or agreement and is subject to change at the sole discretion of the Company at any time without notice. However, in consideration for my continued at will employment, I agree that any claim arising out of my employment or employment termination including, but not limited to claims arising under any state or federal statutes, must be filed in a court or with the appropriate governmental agency within one hundred eighty (180) calendar days of the event that is subject of the claim or be further barred. I understand that the statutory period to file an employment related claim might otherwise be longer than one hundred eighty (180) calendar days. However, I agree to be bound by the shorter period and I voluntarily waive any statutory period to the contrary. I also agree to waive my right to a jury trial and will submit any claims for a bench trial.

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Printed or Typed Name of Employee

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Signature of Employee

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Date







## Employee Handbook

It is our mission to be the leading manufacturer of standard stock and custom designed enclosures, to provide real opportunities and solutions to each of our customers, to grow our company to be stronger and achieve greater financial success

It is our vision to deliver unparalleled quality, value, and service to our customers. We will work as a team to have a clear understanding of the job at hand. At our core, we care about individuals and their needs. Together we are all team participants in shaping our work, our lives, and our future.

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