Employee Handbook





**Welcome from the Ownership**

We are pleased you have decided to become a part of our team. There are many benefits to working at Kinex Medical Company, LLC, R&M Rehabilitation, R&M Rehabilitation of Iowa and Kinex Connect (the “Company”) and we hope your association with us will be challenging, rewarding and interesting.

Our goal is to provide high-quality products and service to our customers in a friendly, efficient, ethical, and profitable manner. Our continuing success depends largely on a high degree of concern we have for our customers, our professionalism, and our efficiency. We want and need your input on how to improve our service to customers, as well as on how to make our Company an even better place to work. Your participation and involvement are welcomed.

We have a very strong commitment to top quality and personalized customer service. This includes not only the work we do, but also the speed and accuracy with which our work is performed and accounted for. In order to maintain this level of service, each of us must be flexible in performing a variety of work and working occasional odd hours when the need arises. When we all pitch in and help, we all benefit from the cooperation.

Every employee plays an important role in our continuing success. We are counting on each of you to put forth your best effort to produce a quality product on schedule for our customers, since they are what make our business possible.

This employee handbook has been developed to keep you informed about the various policies and procedures that affect your work life with us. Read these pages carefully and keep this handbook readily available, as it will answer many of the questions that typically arise.

Sincerely,

Michael Buckholdt

President

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# Section I: Introduction

## Disclaimer/About Your Handbook

Our organization has the responsibility to develop and administer policies and procedures to maintain a well-run organization. We believe the policies and procedures, as described in our employee handbook, are reasonable. However, the contents of this handbook are presented to you as guidelines and for your information only. The policies, procedures and benefits will be applied to each particular situation and interpreted by the Company at its sole discretion subject to applicable state and federal laws.

This handbook is prepared to help you get acquainted with the Company and to describe, in general terms, what you can expect from us and what we expect of you as our employee. However, while the Company believes wholeheartedly in the plans, policies and procedures described, we reserve the right to modify, revoke, suspend, terminate or change any or all plans, policies or procedures, in whole or in part, at any time, with or without notice. This handbook supersedes all previous written or verbal policies.

The language used in this handbook is not intended to create an express or implied contract, or evidence of a contract, between the Company and any one, or all, of our employees. We cannot guarantee you or any employee continued employment for any definite period of time. Your employment with the Company is at-will. This means that you have the right to terminate your employment at any time, and the Company retains the same right to terminate your employment at any time, with or without notice. Only the partners of the Company have the authority to enter into express agreement to the contrary. Any such agreements must be in writing and signed by both a partner and the employee.

We are asking that you read this handbook. If there are items you do not understand, feel free to ask your supervisor for an explanation.

## Open Door

Communication is a joint responsibility shared by the Company and you. If you have any questions about the information contained in this handbook or about any other aspect of your job, we welcome your questions. In addition, the Company is committed to providing the best possible working conditions for its employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion or questions receive a timely response from the Company’s supervisors, Human Resources and management. Not every problem can be resolved to everyone’s total satisfaction, but only through understanding and discussion can employees and management develop confidence in each other.

Generally, if you are having a problem with an individual, we encourage you to approach that person first and attempt to resolve the conflict. If that does not resolve the problem or you are not comfortable speaking to the individual, go to your immediate supervisor or Human Resources. In some cases, you or your supervisor may decide to refer the problem to the next higher level of management. If a problem arises and you feel you cannot use normal channels, you may also speak with any member of management with whom you feel comfortable.

If you have any questions or concerns that do not deal directly with another individual, the Company encourages you to speak directly with your supervisor, Human Resources or any other member of management.

Any information you provide to the Company will be shared only on a “need-to-know” basis. If you do not feel comfortable in speaking directly to a member of management, you may anonymously submit any concerns through the suggestion box located in the break area.

Complaints regarding harassment must be made pursuant to the Company’s Anti-Harassment policy included in this handbook.

## Our Employment Philosophy

Our personnel policies are based on the belief that the success of our organization is primarily dependent upon our employees.

***Our Goal is to:***

* Recognize you as an important part of our team
* Periodically review your performance so you know where you stand at all times
* Promote from within those employees we feel are the most qualified candidates to fill job vacancies, where and when deemed appropriate by the Company
* Maintain competitive wages and benefits for our employees compared to our marketplace and industry
* Provide a safe, efficient and pleasant workplace
* Encourage you to expand your knowledge and value through educational opportunities
* Establish and maintain a truly “open door” environment
* Encourage and expect high-quality customer service

#### Your Role within Our Organization

As we are a very customer-oriented business, we also need you to be committed to our way of doing business. Your commitment should be:

* *Give high quality service to our customers at all times.* They make our business operate and provide the means for all of us to make a living. Our customers are to be treated with the utmost respect, courtesy, promptness, friendliness, and cooperation. They can always go someplace else to do their business so we must *continuously* give them good reasons to stay with us.
* *Do your job well.* You were hired because of your abilities and expertise in certain areas. We need you to be at work on a regular basis at your scheduled starting time, understand and perform your job well, continue to improve your skills, and constantly think of new ways to do your job better.
* *Help make this a great place to work.* Each of us is part of what we call our “work environment” and, thus, has an impact on our co-workers and how they feel about working here. By cooperating with each other, finding ways to help out even when not asked, knowing and respecting each other’s strengths and weaknesses, and treating each other with courtesy, we can each do our part to make this a pleasant and rewarding place to work.

## Mission Statements

***Kinex Medical Company:***

Kinex’s mission is to exceed customer expectation and improve orthopedic surgical outcomes by providing continuous passive motion and other high-quality durable medical equipment items with the highest standards of service.

***R&M Rehabilitation:***

R&M Rehabilitation is committed to improving patients’ recovery by developing strength and mobility through high-quality durable medical equipment. We are also dedicated to providing unparalleled service and support for our patients.

# Section II: About The Workplace

## Equal Employment Opportunity

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at our Company will be based on merit, qualifications, and abilities. The Company does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability or any other characteristic protected by applicable law. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Any employees with questions or concerns about any type of discrimination in the workplace must bring these issues to the attention of their immediate supervisor, Human Resources or any other member of management with whom the employee feels comfortable, including the partner(s). There will be no retaliation against anyone who in good faith makes a report of a violation of this policy. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

## Anti-Harassment

Our Company is committed to providing a work environment that is free of discrimination and unlawful harassment. This means that actions, words, jokes, or comments directed at an employee, customer, vendor or supplier because of his/her sex, race, color, age, religion, disability, national origin or any other characteristic protected by applicable federal, state or local law will not be tolerated.

1. **What Kinds Of Harassment Are Prohibited?** The Company’s policy is to provide an atmosphere free from discriminatory intimidation, ridicule, and insult based upon sex, race, color, age, religion, disability, national origin or any other characteristic protected by applicable federal, state or local law.
2. **What Is Sexual Harassment?** Unwelcome conduct of a sexual nature constitutes sexual harassment if any of the following apply:
3. Submission to such conduct is explicitly or implicitly made a term or condition of employment;
4. Submission to or rejection of such conduct affects decisions affecting employment; or
5. Such conduct has the purpose or effect of creating a sexually hostile work environment.

The following are examples of unwelcome conduct which could violate this policy:

1. Sexual advances or requests for sexual favors;
2. Verbal conduct of a sexual nature, *e.g.*, comments about an individual’s body, physical attributes, sexual activities, etc.;
3. Displays of a sexual nature, e.g., calendars, photographs, magazines, etc.; and
4. Offensive sexual jokes.
5. **Unlawful Harassment On The Basis Of Other Protected Characteristics**

Unlawful harassment may be based on sex, but it can also be based on an individual’s race, color, age, religion, disability, national origin or any other characteristic protected by applicable federal, state or local law.

The following are examples of potentially harassing conduct:

1. Comments regarding an individual’s physical appearance or attributes;
2. Mimicking an individual’s accent or speech pattern;
3. Use of racial or ethnic epithets;
4. The telling of derogatory or offensive jokes;
5. Harassing letters, phone calls or gifts; and
6. Comments about an individual’s age, national origin or disability.
7. **What Should You Do If You Believe You Are Being Harassed In Violation Of This Policy?** You must promptly report the conduct to your supervisor, Human Resources or any other member of management with whom the employee feels comfortable, including the partner(s). Your complaint will be investigated promptly. The information you provide will be shared on a “need-to-know” basis only.
8. **What Should You Do If You Are Aware Of Another Employee, Customer, Vendor Or Supplier Who, You Believe, Is Being Harassed In Violation Of This Policy?** You must promptly report your concerns as described in the immediately preceding paragraph. All employees, whether victims of harassment or not, must bring violations of this policy to the attention of the Company by informing one of the individuals described above.
9. **What Should You Do If A Customer, Customer’s Employee, Vendor Or Supplier Treats You Or Another Employee Of The Company In A Way Which Might Violate This Policy?** You must promptly report the concerns as if the harassment were done by a Company employee or agent.
10. **What Will Be Done To Those Who Violate This Policy?** Appropriate disciplinary action will be taken against any employee found to have violated this policy. Such discipline may include, but is not limited to, discharge of employment, suspension, demotion, pay cut or warning. In the case of customer, vendor or supplier harassment, the Company will act promptly to remedy the harassment and prevent further occurrences.
11. **No Retaliation.** There will be no retaliation against anyone who in good faith makes a report of a violation of this policy or who assists in the investigation of such a complaint. Any Company employee who retaliates against another employee for making **a complaint under this policy will be subject to dismissal.**
12. **Application of Policy. This policy will apply to behavior that occurs on Company time or on** Company premises. It will also apply to any off premises or non-Company time activities that otherwise affect the Company, including behavior that occurs online through the use of social media.

## Accommodations

Our Company complies with all aspects of the Americans with Disabilities Act (ADA) and any similar applicable state disability laws. This means that we will not discriminate against qualified employee or job applicant with respect to any terms, conditions, or privileges of employment because of a person’s physical or mental disability. In addition, the Company will accommodate an employee’s disability as required by law.

The Company will also accommodate the sincere religious beliefs of its employees as required by law.

Employees seeking an accommodation under this policy must contact Human Resources to discuss their request and they will be accommodated in accordance with applicable law and consistent with the business needs of the Company. The Company will not retaliate against an employee for making any accommodation requests, whether for a disability or religious beliefs under this policy.

## Alcohol and Controlled Substances Abuse

It has been established that the abuse of alcohol and controlled substances (drugs) can constitute a real threat to those who abuse these substances and those who work with such individuals. Because of the possible effects to the individual, other employees and the Company, it is our Company policy to maintain a workplace that is free from the effects of illegal drugs and the misuse of alcohol. The Company will not tolerate or condone alcohol misuse or substance abuse. Medical and recreational marijuana remains illegal under federal law and is prohibited by the Company’s policy.

To that end, employees who engage in the sale of, possess, transfer or offer to buy or sell illegal drugs or controlled substances, use or are under the influence of illegal drugs or alcohol during working hours or on Company property, or abuse prescribed drugs will be subject to disciplinary action, up to and including termination of employment. Employees are also prohibited from using illegal drugs while away from the workplace.

There may be occasions, removed from the unusual work setting, such as when entertaining clients or customers, at which it is permissible to consume alcohol in moderation. However, all consumption must be reasonable, done in moderation and off work premises, and employees will be solely responsible for the safety and well-being of themselves and others at all times.

Under no circumstances is an employee to report to work, drive a Company-owned vehicle or operate Company equipment while under the influence of illegal drugs or alcohol.

Supervisors must immediately report to the partner and Human Resources any action by an employee that demonstrates an unusual behavior pattern or who is suspected of being under the influence of drugs and/or alcohol. Employees may be tested for drugs and alcohol at the discretion of the Company. Iowa employees will be provided a separate drug testing policy in accordance with applicable state law.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

## Company Communication Systems – Computers, Internet Access,

## Personal Phone Calls and E-mail Usage

Our e-mail, computer, Internet and voicemail systems, and the information maintained on these systems, are Company property. These systems are in place to facilitate your ability to do your job efficiently and productively and are to be used primarily for business purposes. Occasional personal use may be permitted provided it is done during non-working hours and in compliance with this policy. Violations of this policy may result in disciplinary action, up to and including termination of employment.

To ensure compliance with this policy, the Company’s systems may be accessed, searched or monitored by the Company at any time in accordance with applicable law. Accordingly, employees have no expectation of privacy concerning the use of the system or in connection with any information transmitted or stored on the systems.

Employees should not use a password, access a file, or retrieve any stored communication without authorization. If passwords are used with respect to any of the Company’s systems, including but not limited to, e-mail, computer, computer files, software, voicemail, etc., employees must disclose those passwords to a member of management upon request.

The Company’s computer equipment, including its e-mail, instant messaging and internet systems were purchased and designed in order to facilitate communication between staff members, vendors and clients. The system is owned and maintained by the Company and is, therefore, its private property.

The Company purchases and licenses the use of various computer software packages for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, the Company does not have the right to reproduce such software for use on more than one computer.

Our Company strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, the Company prohibits use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale or that violate the Company’s Anti-Harassment policy or other Company policies. For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

E-mail is an addition to the work environment. E-mail may not be used to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters during working time. Messages on the e-mail system may be retrieved and traced, even if they are deleted. E-mail messages may also be subject to discovery orders in the event of litigation. Management expressly reserves the right to view e-mail messages and take appropriate action to ensure that its e-mail system is being used appropriately. **By using the Company’s e-mail system or computers to access your personal e-mail accounts, you are consenting to management’s monitoring of your e-mail.**

Internet access may not be used to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters during working time. You may not set a stationary and your font must be set to either Calibri or Cambria in Outlook. There is a wide variety of information available on the Web other than that which you may use for work. Consider the Internet or Instant Messaging like a magazine – just as you would not sit and read a non-work-related magazine at your desk, “surfing” the Web and Internet or Instant Messaging for fun during working time is not acceptable activity. The Company specifically prohibits the use of the Internet to access sexually oriented and/or “hates” materials or that otherwise violates the Company’s Anti-Harassment policy or other Company policy.

## Confidentiality

Confidentiality and discretion are essential in the business relationship the Company has with its employees, suppliers, customers and other business associates. All employees are bound by medical ethics and provisions such as the Health Insurance Portability and Accountability Act (HIPAA). This means that information entrusted to you regarding patients is “privileged” and must be treated as completely confidential. You must never mention a patient’s name or release any information regarding their case outside the office or with others unless there is a justified business reason for doing so. When discussing a situation involving a patient, do so in such a way that others not involved in the conversation will not be privy to the information.

In addition to patient information, you may, from time to time, be exposed to confidential business information during the course of your job. In order to protect the legitimate interests of the Company, it is necessary that you respect and maintain the confidentiality of information, including processes, equipment, product designs, inventions, customer lists, supplies, payroll, and miscellaneous data from computer printouts, software, profits, costs and any other information not available to the public. None of this information should be shared, repeated, or discussed outside the department or Company unless specifically authorized. Discussions with fellow employees should be only to the extent necessary in the course of normal business. Discretion is expected of everyone who works for our Company.

Violating the trust relationship between the Company, its customers, suppliers, business associates and employees can be damaging. Requests for confidential information from any internal or external source should be discussed with your supervisor to avoid any conflict of interest. Employees will be required to sign a Confidentiality Agreement with the Company as a condition of employment.

## Conflicts of Interest

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which the Company wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Compliance Officer for more information or questions about conflicts of interest.

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of the Company. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gains refer to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific executive-level approval. This can also be viewed as a violation of the Anti-Kickback Statute (42 USC §1320a-7b(b)).

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of the Company's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage. This can also be a violation of The Stark Law (42 USC §1395nn).

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to an officer of the Company as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which the Company does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving the Company.

## Dress Code and Personal Appearance

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image the Company presents to the community, as well as the image we project to each other during the work day.

***Office Employees Dress Code***

During business hours, office employees are expected to present a clean and neat appearance and to dress in business casual appropriate attire. The Company allows employees to dress in more casual attire on Fridays, which includes sweatshirts, hooded sweatshirts and athletic pull-overs. If you do not wish to wear casual attire on Fridays, you will be required to follow the business casual dress code.

Appropriate casual attire (Monday – Thursday) is:

1. Clean t-shirt (no slogans or logos referencing alcohol or tobacco, or anything else deemed inappropriate by Human Resources).
2. Collared Company shirts (no hooded sweatshirts, including those with Company logos; no t-shirts with graphics/slogans).
3. Jeans (no ripped jeans) or hemmed slacks or pants.
4. Solid color leggings must entail a dress-like shirt that is no shorter than three (3) inches above the knee (*no* leggings/yoga pants otherwise).
5. Skirts and shorts (must be no shorter than two (2) inches from the top of the knee).
6. Capri style pants below the knee.
7. Dress shoes, boots, and sandals, tennis shoes (no thong beach shoes or athletic sandals).

Inappropriate attire includes, but not limited to:

1. Any pants, jeans, skirts or capris that are camouflage, or have rips or tears.
2. Cropped shirts.
3. Off the shoulder shirts or cold shoulder shirts with less than a one (1) inch shoulder strap.
4. Halter shirts or spaghetti strap tops.
5. Sweatshirts, hoodies or athletic pull overs (these tops are allowed on Fridays only).
6. Sweatpants, wind pants, stretch pants or athletic pants.
7. Beach style flip-flops, beach shoes, athletic sandals, etc.
8. T-shirt or sweatshirts with graphics, slogans or logos referencing alcohol or tobacco, or anything else deemed inappropriate by Human Resources.
9. Hats or bandanas.

***Sales and Service Representatives Dress Code***

Sales and Service Representatives are expected to present a more formal image while on sales calls, which may include suits with ties, blazers, dress pants, etc. More informal business casual may be worn, such as Dockers, dress pants, shirts with collars, dresses, skirts (must be appropriate length), sweaters, vests, etc.

***Warehouse Employees Dress Code***

Due to the work environment and job duties, those working in the warehouse may dress casually, which may include jeans, shorts, t-shirts and closed-toed shoes. Clothing, while casual, must still be in good repair and free from rips and tears. Attention to safety should be stressed at all times, thus all shirt tails must be tucked in, sleeves tight against the arm and long hair pulled back when near moving machinery and all shoes must have closed toes. Other personal protective equipment may also be required for certain positions. Your supervisor will provide the necessary equipment.

***Compliance***

If you are not compliant with the dress code that applies to your position, you will be directed to a meeting with your supervisor and you will be sent home to change into appropriate attire but you will not be paid for your time away from the office, as permitted by applicable law. If you are not compliant more than twice a year, you will be subject to disciplinary action up to and possibly including termination. If you are unsure of an item of clothing or a pair of shoes as being acceptable, or if you need an exception to this policy as a religious or medical accommodation, please contact your supervisor or Human Resources.

## Lockers

Lockers are Company property and are to be kept clean and free of safety and fire hazards, alcohol and drugs. The Company reserves the right to search an employee’s lockers at any time, with or without notice. As such, employees should have no expectation of privacy as to any property, articles or personal effects that are stored in the employee’s locker. It is the employee's responsibility to keep the locker secured at all times and to not store any valuables such as wallets, watches, jewelry, etc., as the Company is not responsible for loss of such items stored in lockers.

## Parking

Parking facilities are provided by the Company for the convenience of its employees. Parking is not assigned and is available on a first-come, first-served basis; however, please do not park in the areas reserved for visitors or the disabled. You are expected to drive carefully and safely in our parking areas. The Company assumes no liability for any theft, damage or personal injury incurred in the parking lots.

## Safety Policies and Guidelines

It is the Company’s intention to provide and maintain a safe and healthful place of employment. We have described elsewhere in this handbook our personal conduct policies, however, in this section we want to provide some additional information regarding emphasis given to compliance with safety guidelines and regulations consistent with the Company’s standards of conduct.

Our safety and work guidelines and other information provided in this handbook are intended to help make you a safe and productive worker. Management may elect to modify or change the safety program and work guidelines and other information at any time. Employees found disregarding the safety guidelines of the Company will face disciplinary action, up to and including termination.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or remedy such situations, may be subject to disciplinary action, up to and including termination.

***Emergency Action Plan***

The Company has a written Emergency Action Plan which includes procedures for fire, evacuation routes, tornadoes, shelter areas, chemical spills and other emergencies. During your orientation, you will be trained on these procedures, with additional training provided periodically as necessary. Become familiar with the provisions of the Emergency Action Plan before an emergency happens.

***Bloodborne Disease Control***

We believe that as part of providing and maintaining a safe place of employment, it is necessary to communicate with employees about the hazards of possible exposure to diseases through contact with blood or bodily fluids. The Company does not have trained first responders on site, therefore, should an incident occur, such as an injury or exposure to potentially hazardous or infectious materials (i.e., blood), notify your supervisor immediately. He/she will be responsible for securing the proper medical treatment and/or overseeing the clean-up, as necessary. Those supervisors, or other employees who are at risk of exposure due to their normal job duties, will receive initial and annual training in Bloodborne Disease Control. Further, for those employees who are in contact with patients or equipment, the Company will provide a TB test upon hire and annually thereafter unless an exposure evaluation is completed and on file.

***Personal Protective Equipment***

The Company has evaluated and identified applicable workplace hazards that are capable of causing injury or impairment through absorption, inhalation or physical contact. Employees will be trained in the use of and will be required to wear appropriate personal protective equipment consistent with the type of work performed and type of potential hazards they are exposed to. Personal protective equipment may include, but is not limited to, safety glasses, full face shields, aprons, and gloves. The Company will provide all required equipment.

***Hazard Communication Program***

Supervisors are responsible for conducting initial and on-going training, and employees are responsible for making sure they are familiar with the chemicals or materials they are using, handling or coming in contact with in the working environment. Material Safety Data Sheets (MSDSs) for each chemical and material used in the workplace. The MSDSs are readily available to all employees online <https://distributors.kinexmedical.com/distributors/msds.html>.

***Housekeeping***

Good housekeeping is “having a place for everything and everything in its place.” Always keep work areas orderly and walkways free from obstructions. Management will also perform quarterly safety walk-throughs to ensure this is being executed.

***Tools and Equipment Operations***

Do not operate any tools, equipment or processes unless you have been properly safety-trained and are authorized to do so. Make sure that tools and equipment are in safe operating condition at all times. Return any defective or worn out tools and equipment to your supervisor. Do not use any defective equipment for any reason at any time.

## Security/Inspection

The Company wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, the Company prohibits the possession, transfer, sale, or use of such materials on its premises (see the Alcohol and Controlled Substance Abuse policy). The Company requires the cooperation of all employees in administering this policy.

Normal business operations may require others to have access to your work area, desk, files, or computer, with or without notice. As a result, employees have no expectation of privacy. Please do not bring anything onto the premises or keep anything in your work area, including on your phone or computer system, that violates Company policy or which you do not want others to see. Desks and other storage devices may be provided for the convenience of the employees but remains the sole property of the Company.

All property and processes are here for business purposes and management has the right to access, monitor and search all Company and personal property, with or without notice. There may be times when security concerns give the Company reason to search Company property as well as personal property brought on the premises. Company property is described as desks, cabinets, vehicles, or other business equipment. Personal property is described as vehicles, purses, backpacks, lunch containers, and other personal items.

## Smoking

In keeping with the Company’s intent to provide a safe and healthful work environment, all tobacco use is prohibited throughout the workplace. Tobacco use is allowed outside in the rear of the building. Please dispose of all debris in the ash receptacle located at the back of the building. Failure to dispose of debris properly may result in the loss of tobacco use privileges.

This policy applies equally to all employees, customers, and visitors.

Time spent using tobacco is considered as part of the 50 minutes per day allowed for rest and meals.

## Solicitation

In an effort to ensure a safe, productive, and harmonious work environment, persons not employed by our Company may not solicit products or services or distribute literature in the workplace at any time for any purpose.

Our Company recognizes that employees may have interest in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. (Working time does not include lunch periods, work breaks or any other periods in which employees are not on duty.)

In addition, the posting of written solicitations on Company bulletin boards is restricted. These bulletin boards display important information and employees should consult them frequently for:

* Employee announcement
* Internal memoranda
* Organization announcements

Employees wishing to display materials in non-work areas, such as the lunchroom, may be permitted to do so with authorization from their supervisor.

## Violence and Concealed Weapons

***Violence***

Our Company is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, the Company has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, color, age, religion, disability, national origin or any other characteristic protected by applicable federal, state or local law.

All threats of (or actual) violence, both direct and indirect, must be reported as soon as possible to your immediate supervisor, Human Resources or any other member of management. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible.

All suspicious individuals or activities must also be reported as soon as possible to a supervisor. Do not place yourself in peril. If you see or hear a commotion or disturbance near your workstation, do not try to intercede or see what is happening.

The Company will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. Any information you provide will be only shared on a “need-to-know-basis.” In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees, either with or without pay, pending investigation.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

The Company encourages employees to bring their disputes or differences with other employees to the attention of their supervisors before the situation escalates into potential violence. The Company is eager to assist in the resolution of employee disputes, and will not discipline employees for raising such concerns.

***Concealed Weapons***

Our Company strictly prohibits employees and all other persons from bringing, storing, concealing, or possessing any weapon including, but not limited to, firearms, handguns, knives (except for Company approved safety knives used in the course of work duties), and explosive devices on Company property. This policy applies even if the individual is licensed to carry a concealed weapon under state law.

Company property includes any office space, buildings or other property owned or leased by the Company, including areas surrounding those buildings such as sidewalks, walkways, and parking lots.

Company vehicles are covered by this policy at all times regardless of whether they are on Company property at the time or not. Legal weapons may be kept within your personal vehicle on our property provided they are out of sight and lawfully secured within your personal vehicle, as allowed by applicable law. Any employee, sales representative or service representative found in possession of prohibited articles will be subject to disciplinary action, up to and including immediate termination.

## Visitors

To provide for the safety and security of employees and the facilities of our Company, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All visitors should enter the Company at the reception area. Authorized visitors will be escorted to their destination by the employee they are visiting. Visitors will remain at reception until their escort is able to accompany them. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on the Company’s premises, employees must immediately notify their supervisor or Human Resources or, if necessary, direct the individual to the reception area.

# Section III: Job Obligations

## Attendance

The success and efficient operation of the Company depends, to a large extent, on your being at work and on time each day. You are expected to maintain good attendance and to be present every day during your scheduled work hours. However, should a situation arise where you are not able to report for work as scheduled, the following procedures should be followed to ensure your supervisor is given proper and timely notification:

* If you are not able to come to work on a scheduled day or will be tardy, notify your supervisor as soon as possible prior to the start of the workday. If your supervisor is not available at the time you call in, you may leave a voicemail message. Note; however, **it is your responsibility to continue to contact your immediate supervisor until your absence is acknowledged.**
* Absences of more than one (1) day must be reported daily except in cases where you have provided documentation and/or received approval covering a specific period.
* When you return to work after an absence of three (3) consecutive workdays, you may need a doctor's statement indicating that you may return to work. The Company also reserves the right to request a doctor’s statement or other verification document at any time, at its discretion.
* Any unscheduled days out (*i.e.*, call-in) during an employee’s first 90 days/probationary period with Company will be unpaid and counted against the employee’s attendance.

Unreported absences indicate a lack of interest for your job and the Company. If you are absent for three (3) consecutive days (no call/no show which will be documented in your personnel file), without notifying the Company, it is assumed you have voluntarily terminated your employment.

Except extenuating medical conditions with appropriate medical substantiation, chronic or excessive absenteeism may be cause for disciplinary action, up to and including termination of employment. Chronic or excessive absenteeism is noted as three (3) or more unscheduled days off (*i.e.*, call-in) during a three (3) month period.

If a person is tardy, their time will be unpaid. Employees are not allowed to make up time by staying late or skipping breaks.

## Breaks and Meals

All full-time regular employees are provided with two 10-minute paid breaks per day. Employees are also provided with either a 30-minute or 60-minute (depending on work shift) unpaid meal periods each workday. During unpaid breaks employees are free to leave the Company premises. Supervisors will schedule breaks and meal periods to accommodate operating requirements and in accordance with applicable law. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

Meal periods may not be skipped in order to leave work early at the end of the day. Paid Time Off is provided and is required to be used for these situations.

## Business Ethics and Standards of Conduct

***Business Ethics***

The successful business operation and reputation of the Company is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of the Company is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to the Company, its customers, and shareholders to act in a way that will merit the continued trust and confidence of the public.

The Company will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all applicable laws and to refrain from any illegal, dishonest, or unethical conduct.

All staff should conduct business in an ethical manner. No employee should engage in any activity construed as direct competition to the Company or accepting financial gain through that activity. Any relationship with other business entities must be within the applicable law and regulations.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor and/or a partner for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every Company employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

***Standards of Conduct***

Business-like, professional conduct should be a standard held by all employees. In general, this means that we expect employees to maintain the following non-exhaustive examples of appropriate conduct:

* Prompt and regular attendance.
* Complete attention and efforts to work matters during work time.
* Courtesy and respect for others.
* Acceptable standards of work quality and quantity.
* Excellent service to both internal and external customers, including prompt returning of phone calls and e-mails.
* Diligence and strict adherence with product handling standards, FDA and other regulatory requirements.
* Individual integrity (*e.g.*, employees will not falsify records, including time worked, or misrepresent reasons for absence, tardiness or eligibility for benefits).
* Employees will conduct themselves in a manner consistent with the guidelines of society and good, courteous business practices.
* Employees will not engage in any workplace violence, threats of violence, fighting, horseplay, malicious pranks, profanity or misconduct. This includes possession or use of weapons or explosives on Company premises.
* Employees will comply with and support all of the Company’s policies and procedures, including but not limited to, the Equal Employment Opportunity, Anti-Harassment, and Alcohol and Controlled Substances Abuse policies.

An employee, who commits an act that is contrary to the guidelines of common sense or decency or which violates a policy or guideline of the Company, will face discipline up to and including termination. The basic purpose of discipline is to provide correction so the employee can improve his or her conduct or performance, unless the Company believes that, under the circumstances, the employment relationship should not be continued.

Depending upon the circumstances involved, discipline issued may be a verbal warning, written warning, and/or suspension with or without pay, or discharge. Progressive discipline may not be followed in all cases. Depending upon the nature of the violation and the surrounding circumstances including, but not limited to, the employee's past work record and past conduct, one or more steps of the progressive discipline system may be repeated or skipped. In some circumstances, termination may be the first step of the discipline procedure.

## Employment Classifications

It is the intent of the Company to clarify the definitions of employment classifications so those employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time as employment with the Company is “at-will.” Accordingly, the right to terminate the employment relationship at-will at any time is retained by both the employee and the Company. If you are unsure of your employment classifications, please see your supervisor.

* **Regular Full-Time** employees are those who are not in a temporary or introductory status and who are regularly scheduled to work the Company’s full-time schedule. Generally, they are eligible for the Company’s benefit package, subject to the terms, conditions, and limitations of each benefit program.
* **Regular Part-Time** employees are those who are not assigned to a temporary or introductory status and who are regularly scheduled to work less than the full-time work schedule, but no less than 30 hours per week. Regular part-time employees are eligible for some benefits sponsored by the Company, subject to the terms, conditions, and limitations of each benefit program.
* **Part-Time** employees are those who are not assigned to a temporary or introductory status and who are regularly scheduled to work less than 30 hours per week. While they do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they are ineligible for all of the Company’s other benefit programs.
* **Introductory** employees are new employees whose performance is being evaluated to determine whether further employment in a specific position or with the Company is appropriate. The usual introductory period for a new employee is 90 calendar days. At the discretion of the Company, an employee’s introductory period may be extended one or more times for up to 30 additional days for each such extension. Employees who satisfactorily complete the introductory period will be notified of their new employment classification. Employment during the introductory period and any extension thereof remains at at-will and successful completion of the introductory period is not a guarantee of continued employment.
* **Temporary** employees are those who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change. While temporary employees receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for all of the Company's other benefit programs. Temporary employees are not eligible to participate in benefit programs provided by the Company
* **Independent contractors** are those individuals who perform services on behalf of the Company on a contractual basis. These individuals are not employees of the Company and are not eligible to participate in benefit programs provided by the Company.

In addition to the categories outlined above, each employee is designated as either **exempt** or **nonexempt** from federal and applicable state wage and hour laws.

* **Exempt** employees are employees who are excluded from specific provisions of the federal and applicable state wage and hour laws. They are paid on a salary basis and are not eligible to receive overtime.
* **Nonexempt** employees are employees who are typically paid on an hourly basis and are eligible to receive overtime for all hours worked in excess of 40 hours per work week, or as otherwise governed by applicable state law.

## Hours of Work

Normal business hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday.

Each individual’s work hours, including lunch periods, will be established by the supervisor and may be modified from time to time depending on individual department and/or production requirements or as otherwise required by applicable law. Your normal work schedule, including starting and ending times will be explained to you by your supervisor.

The normal work schedule for all office employees is eight (8) hours a day, five (5) days a week. The normal work schedule for all sales employees varies in hours a day, and varies in the number of days a week as required to achieve adequate sales volume.

## References of Former and Current Employees

It is the policy of the Company to centralize the responsibility of reference checks on former and current employees. This means that only a Human Resources representative is authorized to respond to reference checks. Confidentiality of references will be strictly maintained.

## Outside Employment

An employee may hold a job with another organization as long as he or she satisfactorily performs his/her job responsibilities with our Company. All employees will be judged by the same performance standards and will be subject to the Company’s scheduling demands, regardless of any existing outside work requirements.

Our Company considers itself to be your primary employer and requires you to devote full attention to your job each workday. In general, outside employment may be prohibited if it:

* Reduces your ability to work for our Company on all scheduled workdays, including overtime as needed.
* The Company’s equipment, supplies, information and/or work time are used, in any way, to conduct business or outside activities other than for the Company.
* Involves working for a Company that is a competitor of R & M Rehabilitation, or Kinex Medical Company or produces products or services similar to ours. If you are working or considering working for a Company that may be considered a competitor, you must contact your supervisor to ensure an actual or potential conflict of interest does not exist.

All questions about this policy should be addressed to your supervisor.

## Overtime

From time to time it may be necessary to schedule overtime in order to meet the needs of the Company's operation. When overtime is scheduled, you will be expected to work the hours required of the job and/or the department. If the occasion arises that you must work overtime, you will be given as much advance notice as possible.

Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour restrictions. Employees will receive 1.5 times their regularly hourly rate for all hours worked in excess of 40 hours per work week, and as otherwise required by applicable state law. Time off on sick leave, PTO, holiday pay or any other leave of absence will not be considered hours worked for purposes of performing overtime calculations. Unless otherwise governed by applicable law, a workweek begins on Sundays at 12:00 a.m. and ends on Saturdays at 11:59 p.m.

Employees must receive approval from their supervisor prior to working overtime hours. Failure to do so may result in disciplinary action, up to and including possible termination of employment.

## Payroll Policies

The pay date for our employees is every other Friday following the close of the pay period. The pay period begins on Sunday and ends on the second Saturday. Your paycheck stub will be available through the online payroll system but may not be available until the next business day. Unless otherwise governed by applicable law, employees will be paid by direct deposit on the regularly scheduled pay date.

***Payroll Deductions***

Only deductions required by applicable law and those you have authorized in writing will be deducted from your pay. All deductions are listed on your paycheck stub. The Company complies with all state and federal regulations for proper payment of its employees, and takes every precaution to determine the appropriateness of each deduction. We take 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 payday. Any employee who believes that an error has occurred must notify the Company within 15 days of the pay period in which the deduction was taken. If it is determined that an error has been made, the employee will receive reimbursement for the deduction on the next paycheck and the Company will take actions to remedy any processes necessary to ensure future errors will not occur.

***Social Security***

Social Security is a federally sponsored program that pays benefits to employees who have made regular contributions to the program during their working years. Many people forget that the cost of Social Security coverage is shared between you and the Company.

***Unemployment Insurance***

The purpose of Unemployment Insurance is to replace part of your income if you are laid off or terminated through no fault of your own. The Company pays the full cost of Unemployment Insurance, but it does not decide who is eligible for benefit payments or the amount of the payments. This eligibility and payment amount is decided by state law.

Should you have any questions about your deductions, contact Human Resources.

## Performance Evaluations

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A written performance evaluation will be conducted after the employee’s 30-day introductory new hire period, again at 90 days. Additional formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. Formal performance evaluations are scheduled at 90 day, at annual intervals coinciding with your date of hire, and as otherwise deemed appropriate by the Company.

The Company may award merit-based pay adjustments in an effort to recognize truly superior employee performance (if awarded, typically this pay adjustment is granted at the time of annual reviews). The decision to award such an adjustment is dependent upon numerous factors, including the information documented by this formal performance evaluation process. Merit-based pay adjustments are not guaranteed and are awarded in the Company’s sole discretion.

The Company reserves the right to conduct additional performance evaluations as it deems necessary and as required by business needs.

## Personnel Data Changes

It is the responsibility of each employee to promptly notify the Company of any changes in personnel data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of emergency, educational accomplishments, and other such status reports should be accurate and current at all times. These changes could affect your tax withholding, insurance coverage or work eligibility. Any change to your legal right to work in the United States, such as immigration status, must be reported as well. Employees must report change to personal data to Human Resources as soon as possible.

## Personnel Records

Our Company maintains a personnel file for each employee. The personnel file may include such information as the employee’s job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records, as required by law.

Personnel files are the property of our Company, and access to the information they contain is restricted. Generally, only supervisors and management personnel of the Company who have a legitimate reason to review information in a file are allowed to do so.

Employees who wish to review their own file will be permitted to do so in accordance with applicable law. Employees must notify their supervisor or Human Resources with reasonable advance notice (one (1) week minimum) of their request to review their personnel file. Employees may review their own personnel files in Company’s offices and in the presence of an individual appointed by the Company to maintain the files. If an employee would like copies of information from their personnel file, they will be at $.25 per copy rate. Employees will be allowed to correct, amend or supplement their records if they believe that they are not accurate, timely or complete.

## Recording Hours of Work/Timesheets

Accurately recording time worked is the responsibility of every nonexempt employee. Federal and state laws require the Company to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Nonexempt employees must accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime work must always be approved before it is performed.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

Nonexempt employees should report to work no more than five (5) minutes prior to their scheduled starting time nor stay more than five (5) minutes after their scheduled stop time without expressed prior authorization from their supervisor.

If you find an error in the way your hours are reflected on your paycheck, report it to Human Resources immediately.

## Termination/Resignation and Return of Property

***Termination/Resignation***

Since employment with the Company is at-will, both the employee and the Company have the right to terminate the employment relationship, at any time, with or without notice or cause.

If you decide to voluntarily resign your employment, a minimum of a two (2)-week notice would be appreciated. Upon voluntary resignation, all earned, unused PTO will be paid out if: (1) the employee provided a minimum of two (2) weeks’ notice before their voluntary resignation; and (2) the employee completed at least one (1) year of continual service at the Company. PTO will not be paid out if an employee is terminated by the Company or the employee resigns, but does not fulfill the two requirements outlined.

Final paychecks will be paid via direct deposit, in accordance with and as allowed by applicable law.

The Company may schedule exit interviews at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to the Company, or return of Company-owned property. Suggestions, complaints, and questions can also be voiced.

Employee benefits will be affected by employment termination in the following manner. PTO will be paid out according to this policy and the Company’s Paid Time Off policy. All other accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance. Under certain circumstances, you will be contacted and offered the opportunity to continue coverage through our group health, dental and vision plans at your own cost.

***Return of Property***

Upon termination, employees must return all Company-owned items issued to them by the Company or in their possession or control, including but not limited to the following:

* Client lists
* Company confidential information or trade secret information
* Equipment
* Keys and key fobs
* Manuals
* Cell phones
* Tools
* Written materials

# Section IV: Benefits

## General Information

Our Company believes in the importance of the health and well-being of all of our employees. That is why the Company provides a wide range of benefit programs designed to provide protection and help. Eligibility for some or all of the benefits will depend on the specific requirements of each plan.

This section represents an outline of the benefits available to eligible employees; however, it is not a complete description of all of the benefit plan provisions. Eligible employees will be given Summary Plan Description booklets at the time of eligibility, for those benefits to which they apply. In the event there is a conflict between statements made in the employee handbook and the plan documents, the plan documents will control. The Company may find it necessary to add, modify or change any or all benefits or premium contributions in order to provide the most competitive benefit plans.

## Insurance Plans

***General Provisions***

Our Company’s health insurance plan provides its employees and their dependents access to medical and dental insurance benefits. Eligible employees will receive general information and enrollment forms for all available plans on their first day of employment.

If a plan that requires an employee contribution toward the cost of the premium is chosen, this amount will be deducted from each paycheck and is subject to change as we incur changes in the premium rates. All eligible participants will automatically be enrolled in the Premium Only Plan (authorized under section 125 of the IRS Code) to have insurance premium deductions taken on a pre-tax basis.

Upon leaving the Company, participants may, under certain circumstances, have the opportunity to continue select coverages in effect at the time of termination by paying the full premium. Eligible participants will be informed of these continuation options at the time of termination.

You will be given plan materials describing the insurance plans as they relate to you. Please read this information. Contact Human Resources with any questions you may have.

***Health Insurance***

Full-time employees, and those employees working at least 30 hours per week, are eligible for group health coverage on the first of the month following 30 days of employment. Health insurance is available in single and various family plans. The cost of the premium is shared by both the Company and the participant on a pre-tax basis. This plan is subject to co-payments and deductibles; please refer to your plan materials for coverage detail.

***Dental Insurance***

Full-time employees, and those regularly scheduled to work at least 30 hours per week, are eligible for dental coverage on the first of the month following 30 days of employment. Dental insurance is available in both single and family plans. Coverage includes preventative care as well as medically necessary dental services.

This plan is subject to co-payments and deductibles; please refer to your plan materials for coverage detail. The cost of the premium is shared by both the Company and the participant on a pre-tax basis.

***Life Insurance***

Full-time employees, and those regularly scheduled to work at least 30 hours per week, are provided with group term life insurance on the first of the month following 30 days of employment. Subject to certain limitations, life insurance benefits are paid at rates established by the plan. Special limitations may apply for employees age 65 or older. The cost of the premium is paid for by the Company.

***Long-Term Disability***

Full-time employees, and those regularly scheduled to work at least 30 hours per week, are provided with long-term disability insurance on the first of the month following 30 days of employment. Subject to certain limitations, benefits are paid at rates established by the plan. The cost of the premium is paid for by the Company.

***Voluntary Policies***

Employees are provided with the option of purchasing additional life insurance and/or short-term disability. The cost of these premiums are paid in full by the employee.

## Medical Continuation (COBRA)

In the event of a death, termination of employment (including retirement), certain reductions of hours or other qualifying event, participants and their eligible dependents will be contacted by the Employee Benefits Corporation and offered the opportunity to continue medical coverage through the Company. You or your dependents will be entitled to continue medical coverage through the Company by paying the full monthly premium for the coverage. Failure to make timely payment of your premiums will result in the forfeiture of continuation benefits.

If you become divorced or separated or have a child who no longer qualifies as a dependent under the plan, you must notify the Human Resources of the event in order to receive applicable continuation rights.

This benefit is provided in accordance with the requirements of the Wisconsin Insurance Continuation Act and, if applicable, federal law on continuation of health insurance. This benefit is subject to change as necessary to comply with federal and/or state law.

## Family Medical Leave Act

***Introduction***

The Company’s Family and Medical Leave Policy (the “FMLA Policy”) is intended to conform to, and not exceed, the requirements of the federal Family and Medical Leave Act of 1993, as amended (FMLA), and the Wisconsin Family and Medical Leave Act (WFMLA). This FMLA Policy is intended to comply with applicable laws and does not necessarily incorporate all provisions of such laws directly into the Company’s personnel policies. This FMLA Policy also does not repeat every provision of the FMLA’s or the WFMLA’s statutory or regulatory requirements.

Only employees located in Wisconsin may be eligible for WFMLA. Employees in other locations may also be entitled to greater benefits under state and local law than the FMLA requires and should consult Human Resources if they have any questions. You may contact Human Resources if you have specific questions regarding the FMLA, WFMLA or this FMLA Policy.

Family and medical leave taken under this FMLA Policy may be covered by federal law, state law (where applicable) or both. When leave taken by employees under this FMLA Policy is governed by both federal and state law, the more generous provision will control in the event of a conflict. However, when leaves are governed by state or federal law, but not both, the applicable law will control under this FMLA Policy. In this regard, you should note that certain leaves may be covered by both state and federal law for only a portion of the leave.

***Eligibility Requirements***

To be eligible for leave under federal law, you must have been employed by the Company for at least 12 months, must have worked at least 1,250 hours during the 12-month period immediately preceding the commencement of the requested leave, and be employed at a worksite where 50 or more employees are employed by the Company within a 75-mile radius of the worksite. The 12 months that an employee must have been employed by the Company need not be consecutive.

To be eligible for leave under Wisconsin law, you must have been employed in Wisconsin for more than 52 consecutive weeks and have been paid for at least 1,000 hours in the 52 weeks immediately preceding the request for leave.

The kind and amount of leave available to you under this FMLA Policy, as well as your rights during leave, depend on whether you meet the above require­ments.

Employees who misrepresent facts in order to be granted an FMLA leave, or a state equivalent, will be subject to disciplinary action, up to and including termination of employment.

***Types of Leave Available***

The Company provides family and medical leave for eligible employees under the following circumstances:

* For the birth of the eligible employee’s child and to care for a newborn child.
* For placement with the eligible employee of a child for adoption or foster care.
* To care for an eligible employee’s spouse, domestic partner, child, parent, or parent-in-law (including the parent of a domestic partner) with a serious health condition.
* Because of a serious health condition that makes the eligible employee unable to perform any of the essential functions of the employee’s job.
* Because of a “qualifying exigency” arising out of the fact that the eligible employee’s spouse, son, daughter, or parent is a member of the Armed Forces, including the National Guard or Reserves, or a retired member of the Armed Forces on covered active duty (or has been notified of an impending call or order to report to covered active duty).
* To care for a covered service member or veteran with a serious injury or illness if the employee is the spouse, son, daughter, parent or next of kin of the covered service member or veteran.

See Human Resources to determine whether your request for leave qualifies under one of the above categories.

***Certification***

If leave is requested due to your own serious health condition, the serious health condition of your spouse, domestic partner, child, parent, or parent-in-law (including the parent of a domestic partner), the serious illness or injury of a covered service member, or for a qualifying exigency, the Company requires that the leave request be supported by certification issued by a health care provider or other specified third party. The Company’s certification forms can be obtained from Human Resources. Failure to provide the Company with timely, complete, and responsive certification within 15 days of the Company’s request for certification may result in delay or denial of the leave.

If an employee provides the Company with incomplete or insufficient certification, the Company will provide written notice to the employee explaining the deficiency in the certification and will allow the employee at least seven days to cure the deficiency. If such deficiency is not cured, the Company may deny the employee’s leave request.

The Company reserves the right to request re-certification or a second medical opinion, when necessary. In addition, the Company may contact the employee’s health care provider to clarify and authenticate a medical certification, as permitted by law.

***Definition of Serious Health Condition***

In conjunction with the certification, the Company reserves the right to determine whether an illness, injury, impairment, or physical or mental condition constitutes a serious health condition entitling you to family or medical leave under state or federal law.

Under federal law, a “serious health condition” means an illness, injury, impairment, or physical or mental condition that involves one of the following:

* Inpatient care (i.e., an overnight stay) in a hospital, hospice or residential medical care facility.
* A period of incapacity of more than three consecutive full calendar days (including any subsequent treatment or period of incapacity relating to the same condition) that also involves:
* In-person treatment two or more times by a health care provider related to the same condition under the following circumstances:
* the first in-person treatment must occur within seven days of the first day of incapacity; and
* the second in-person treatment must occur within 30 days of the first day of incapacity, unless extenuating circumstances exist.
* In-person treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider.
* Any period of incapacity due to pregnancy, or for prenatal care.
* A chronic condition that requires periodic visits for in-person treatment by a health care provider.
* A period of incapacity that is permanent or long term due to a condition for which treatment may not be effective.
* Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider.

Under Wisconsin law, a serious health condition is a disabling physical or mental illness or condition that involves inpatient care or outpatient care that requires continuing treatment of a health care provider.

***Military Family Leave Entitlements***

Federal law allows eligible employees with a spouse, son, daughter, or parent who is an active or retired member of the Armed Forces, including the National Guard or Reserves, and who is on covered active duty or call to covered active duty status in support of a contingency operation to use their general 12-week leave entitlement to address certain “qualifying exigencies.” Qualifying exigencies may include attending certain military events, arranging for alternate childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

Federal law also provides a special leave entitlement for eligible employees to take up to 26 weeks of leave in a single 12-month period to care for their spouse, son, daughter, parent, or next of kin who is a covered service member. A covered service member is a current member of the Regular Armed Forces, including the National Guard or Reserves, who has a serious illness or injury incurred or aggravated in the line of duty on active duty that may render the service member medically unfit to perform his/her duties, for which the service member is undergoing treatment, recuperation or therapy, or is on outpatient status, or is on the temporary disability retired list. The term covered service member also includes a veteran who was a member of the Armed Forces, including the National Guard or Reserves, at any time during the five year period preceding his/her medical treatment, recuperation or therapy for a serious illness or injury incurred or aggravated in the line of duty on active duty.

Service member and qualifying exigency leave may run concurrent with other leave entitlements provided under federal, state, and local law. For details, contact Human Resources.

***Amount of Leave Available***

Under federal law, eligible employees are entitled to a total of 12 workweeks of leave during a 12-month period for any of the reasons stated above.[[1]](#footnote-1) Except when leave is to care for a covered service member, an eligible employee may take up to 26 weeks of leave in a single 12‑month period to care for the service member. Leave to care for a covered service member, when combined with other leave, may not exceed 26 weeks in a single 12‑month period.

The Company utilizes the “12-month period measured forward” method in applying this policy under federal FMLA. The Company utilizes the calendar method in applying this policy under the WFMLA.

Under state law, eligible employees are entitled to:

* a total of six (6) weeks of leave for the birth of your biological child and/or the placement of a child with you for, or as a precondition to, adoption;
* a total of two (2) weeks of leave to care for a spouse, domestic partner, child, parent, or parent-in-law (including the parent of a domestic partner) with a serious health condition; and
* a total of two (2) weeks of leave if you cannot perform your employment duties due to a serious health condition.

The Company will treat use of family or medical leave under this FMLA Policy as simultaneous use of state and federal leave entitlements whenever permitted by law.

***Manner in Which Leave Can Be Taken***

Leave available under this FMLA Policy may be taken in full, and, under certain circumstances, may also be taken intermittently (e.g., one week at a time) or on a reduced leave schedule (e.g., consecutive hours at a time). See Human Resourcesfor details.

While on FMLA leave, employees may not work or otherwise provide services for another employer nor may employees engage in any for-profit enterprise themselves or on behalf of a family member.

***Compensation During Leave***

Generally, leave taken under this FMLA Policy is unpaid. However, you may, as allowed by law, elect to substitute Paid Time Off, if available to you, during the period of unpaid leave. You may not, however, substitute Paid Time Off for leave taken under this FMLA Policy in any situation where the Company would not normally provide such paid leave. In addition, in order to receive paid leave, you must satisfy any procedural requirements (*e.g.*, notice requirements) associated with the taking of such leave, unless waived by the Company. The procedural requirements for taking paid Company leave are outlined in this handbook.

The Company reserves the right to deny substitution as permitted by law.

***Continuation of Benefits***

You will remain eligible for group health insurance benefits under the Company’s group health plan during leave taken under this FMLA Policy under the same conditions as coverage would have been provided if you had been actively employed during the entire leave. However, you have the option of choosing not to retain such coverage during family or medical leave if you prefer.

During leave taken under this FMLA Policy, the Company will continue to pay any portion of group health insurance premiums for coverage that it was responsible for paying immediately prior to the leave as required by law. You are responsible for paying your portion of health insurance premiums regardless of whether your family and medical leave is paid or unpaid. It is your responsibility to arrange with Human Resourcesfor making premium payments for group health insurance during leaves. Your failure to make premium payments may result in the loss of insurance benefits during the remainder of your leave.

Your entitlement to benefits other than group health benefits during a period of family or medical leave is determined by the Company’s FMLA Policy regarding provision of such benefits when an employee is on other forms of leave.

***Accrual of Benefits***

To the extent permitted by law, you will not continue to accrue seniority or any other employment benefit during leave taken under this FMLA Policy, except that such benefits shall accrue if you elect to use other leaves provided by the Company, as outlined above, and if such benefits would normally accrue during such leave.

***Employment Restoration***

To the extent required by law, when you return from family or medical leave, you will be returned to the same position you held when leave commenced, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. This FMLA Policy does not entitle you to any right, benefit or position of employment other than those to which you would have been entitled had you not taken leave. The Company reserves all rights concerning restoration of employment or denial of same under state or federal law. If an employee fails to return to work at the end of the leave period, without notifying the Company of the need for additional leave, the employee may be considered to have voluntarily resigned, effective as of the first day the employee was scheduled to return to work.

***Required Advance Notice***

Absent extenuating circumstances, you must provide the Company with a completed FMLA Request Form, available from Human Resourcesbefore leave taken under this FMLA Policy is to begin. You will generally be expected to provide at least 30 days’ advance notice for foreseeable leave (*e.g.*, an expected birth, placement or adoption or foster care, or planned medical treatment for your own serious health condition or that of a family member). When requesting partial or intermittent leave in connection with child birth or adoption, you must provide at least as much notice as required for taking other non-emergency or non-medical leave, as well as a definite schedule for the leave. Where advance notice is not practicable due to uncertainty as to when leave will be required to begin, a change in circumstances, or medical emergency, notice must be given as soon as practicable.

Your notice of your need for leave must provide sufficient information for the Company to determine if your leave may qualify for FMLA protection and the anticipated timing and duration of leave. Sufficient information may include that you are unable to perform job functions, the family member is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave.

If you wish to take leave for a FMLA-qualifying reason for which you have already been approved for, you must provide the Company specific notice of your need for FMLA-qualifying leave. Simply calling in “sick” will not be sufficient.

When planning medical treatment, you should consult with the Company and make a reasonable effort to schedule the leave so as not to disrupt unduly the Company’s operations, subject to the approval of your health care provider. You are ordinarily expected to consult with the Company in order to work out a treatment schedule that best suits your needs as well as the needs of the Company.

***The Company’s Responsibilities***

Upon a request for leave, the Company will inform employees whether they are eligible for leave under the FMLA. If they are, the notice will specify any additional information required as well as the employees’ rights and responsibilities. If they are not eligible, the Company will provide the employee a reason for ineligibility.

Upon the return of a complete medical certification, if requested by the Company, the Company will make a determination as to whether the requested leave is covered by the FMLA. If the leave is covered, the Company will provide employees written notice of the designation of the leave as FMLA-protected and the amount of leave counted against the employee’s leave entitlement, if calculable. If the Company determines that the leave is not FMLA-protected, the Company will notify the employee.

It is unlawful for the Company to (1) interfere with, restrain or deny the exercise of any right provided under the FMLA, or (2) discharge or discriminate against any person for opposing any practice made unlawful by the FMLA, or for involvement in any proceeding under or related to the FMLA. An employee may file a complaint with the U.S. Department of Labor or may bring a private action against the Company. This FMLA Policy does not affect any federal or state law prohibiting discrimination nor does this FMLA Policy supersede any federal, state or local law or collective bargaining agreement (if any) that provides greater family or medical leave rights.

## Holidays

The Company provides eligible employees paid time off from work for the following holidays:

* New Year’s Day (January 1)
* Memorial Day (last Monday in May)
* Independence Day (July 4)
* Labor Day (first Monday in September)
* Thanksgiving (fourth Thursday in November)
* Day after Thanksgiving
* Christmas Eve Day (December 24 - 1/2 Day)
* Christmas Day (December 25)
* New Year’s Eve Day (December 31 - 1/2 Day)

If a recognized holiday falls on a weekend that is normally a non-working day, the Company reserves the right to provide the holiday day off on a roving schedule to ensure proper coverage for operation.

Regular full-time employees are eligible for holiday pay after completing 30 days of work with the Company. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day. Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

To receive holiday pay, eligible employees must work the last scheduled day immediately preceding the holiday and the first scheduled day immediately following the holiday unless employee received a preapproved Time Off Request Form.

If a recognized holiday falls during an eligible employee's paid absence (such as paid time off or sick leave), holiday pay will be provided instead of the paid time off benefit that would otherwise have applied.

If eligible nonexempt employees work on a recognized holiday, they will receive holiday pay plus wages at their straight-time rate for the hours worked on the holiday. All work on holidays must be pre-approved by the employee’s supervisor.

## Paid Time Off (PTO)

Paid Time Off (PTO) is available to regular full-time employees to provide opportunities for rest, relaxation, recovery, and personal pursuits.

Employees receive a certain amount of PTO during each benefit year. The benefit year is defined as your employment start date through anniversary date. The amount of paid time off an employee accrues during each benefit year increases with the length of their employment according to the following schedule:

|  |  |  |
| --- | --- | --- |
| **Employment Period** | **Annual PTO Hours**  | **Accrual Rate** |
| First pay period through 5 year anniversary date | 112 PTO hours per year | 9.33 hours per month |
| After 5 year anniversary date  | 152 PTO hours per year | 12.67 hours per month |

An employee's benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

Earned paid time off is available for use in the year it is accrued. It may be used in the following way:

* Employees may borrow time that is not yet accrued, but will be accrued during the calendar quarter (*i.e.*, employees may use up to 40 hours of PTO in the first quarter even though it has not been accrued at that point). Borrowed PTO that has not yet been accrued at the time of termination will be considered a “debt due and owing” to the Company and deducted from the employee’s paycheck, as allowed by applicable law.
* Any time used beyond your accrued PTO and time that may be borrowed will be unpaid. Any unpaid time without prior approval will be subject to disciplinary action, up to and including termination. Prior approval is defined as receiving the approval of your Time Off Request Form at least 24 hours in advance from your supervisor and may not exceed eight (8) hours of unpaid time in a quarter. This time will be deducted in a minimum of one-half hour increments.
* The maximum consecutive time off is 48 benefit hours, unless otherwise approved by the employee’s supervisor.
* In order to request time off, eligible employees must fill out and return a Time Off Request Form to their supervisor or Human Resources (see \* below). Requests will be reviewed and approval will be based on a number of factors, including business needs, staffing requirements, and available accrued paid time off.
* New employees will begin earning PTO on their first pay period; however, employees must wait to use PTO until they have completed their introductory period (first 90 days – see the Employment Classifications policy). Any time taken during the initial introductory period will be unpaid time. If a new employee deducts more than eight (8) hours, the employee may be subject to disciplinary action up to and possibly including termination. This unpaid time off will be adjusted from payroll in minimum one-half hour increments.

PTO is paid at the employee's base pay rate at the time of use. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

As stated above, employees are encouraged to use available PTO for rest, relaxation, recovery, and personal pursuits. To support this encouragement the Company will not allow for the carryover of paid time off between anniversary years unless approved by management or otherwise required by applicable law.

Employees who voluntarily resign from employment will be paid for unused PTO that has been accrued through the last day of work as long as the following two conditions are met: (1) the employee provided a minimum of two (2) weeks’ notice before their voluntary resignation; and (2) the employee had one (1) year of continuous service with the Company. PTO will not be paid out if an employee is terminated by the Company or the employee resigns, but does not fulfill the two requirements outlined.

\*Employees are asked to submit requests for PTO to their supervisor no more than three (3) months in advance. Requests will be accepted on a first come, first serve basis, but will not be approved until three (3) months prior to date requested. Every effort will be made to accommodate an employee’s selection consistent with the efficient operation of the Company; however, only a certain number of employees in each department can be scheduled for PTO at one time. Changes in scheduled time off can only be made with prior approval of the employee’s supervisor. In order to properly utilize this benefit, employees request the change from their supervisor and wait for their approval.

## Leaves of Absence

***General Provisions***

The Company will consider employee requests for absence from work on either a short-term or long-term basis under certain circumstances. In general, requests for leaves will be based upon the circumstances of each individual leave request, the needs of the Company and any applicable state or federal laws that may apply to the leave. (See each leave for specific information.) In some cases the Company may require that PTO be used before the employee may take unpaid leaves.

Employees should submit a request for the leave to their supervisor as far in advance as possible, normally 30 days, using the Time Off Request Form. When emergency situations arise and it is not possible to give prior notice, employees are required to notify their supervisor as soon as they are aware of the need for a leave of absence, but no later than two (2) working days after the occurrence of the leave.

If you are on an approved leave, you must contact your supervisor prior to the expiration of the leave to confirm your return date. If the leave is for medical reasons, the Company may request, at its discretion, a fitness for duty report from your health care provider verifying your disability and/or ability to return to work. Failure to return to work on the day after the expiration of leave will be considered a voluntary resignation. Request for an extension of a short-term or long-term leave of absence must be submitted to the Company in writing prior to the expiration of the leave of absence.

Employees are generally not authorized to maintain outside employment while on a leave of absence from the Company. Any exceptions must be discussed with your supervisor.

Every effort will be made to re-employ you in your former position upon your return from an authorized leave. Except where mandated by law, we cannot guarantee that your position will remain open in your absence. If there is no vacancy, you may be offered another opening for which you are qualified, if available.

***Types of Leaves***

The following types of leaves will be considered: 1) Medical; 2) Personal;

3) Funeral/Bereavement; 4) Jury Duty; and 5) Military.

#### Medical Leave

Employees who are unable to work because of an extended illness or injury that is not covered by the Company’s FMLA Policy (or the employee has already used their FMLA entitlement for a serious health condition) may apply for an unpaid medical leave of absence. Any accumulated paid time off benefits, such as Paid Time Off, may be substituted in order for this leave, or a portion of this leave, to be paid.

Medical leaves will generally follow FMLA guidelines. The Company will require a certification from the employee’s health care provider both before and at the end of the leave, as well as on a periodic basis during the leave, if necessary. The health care provider’s certification should verify the reason for the leave, expected duration and fitness for duty. Certification and Time Off Request Forms are available from your supervisor and Human Resources.

Unless otherwise required by the Company’s business needs and benefit plans or governed by applicable law, all benefits will be continued during such leave, provided the employee continues to pay the normal employee portion of each benefit.

The Company reserves the right to coordinate this medical leave policy with any applicable state and federal laws, including Worker’s Compensation.

***Personal Leave***

The Company provides leaves of absence without pay to eligible employees who wish to take time off from work duties for reasons such as education or family emergencies.

Regular full-time employees are eligible to request leave under this policy after completing 185 calendar days of service with the Company. As soon as eligible employees become aware of the need for a personal leave of absence, they should request leave from their supervisor.

Personal, non-medical, leave may be granted for a period of up to 30 calendar days every one-year. An employee who is granted a leave must utilize any available Paid Time Off prior to taking the leave unpaid. Paid Time Off will not accumulate during the unpaid leave period.

The Company reserves the right to either approve or deny requests for leaves in accordance with the Company’s business needs. All employees requesting a leave of absence must notify their supervisor as soon as the need for the leave is foreseeable, or, in the case of an emergency, as soon as is practicable. If an employee does not return to work at the end of the scheduled leave of absence, the employee will be considered to have quit and employment will be terminated.

When an employee takes a leave of absence under this section, the Company will attempt to hold the employee’s position open or fill it with a temporary employee. However, where an employee’s absence interferes with the operation of the business, the employee on leave may be replaced, unless otherwise governed by applicable law. In such cases, every attempt will be made to place the returning employee in a comparable position for which the employee is qualified.

In order to properly utilize this benefit you must complete a Time Off Request Form and have it processed accordingly, prior to the benefit being utilized.

***Funeral/Bereavement Leave***

Employees requiring time off for the death, funeral, or estate settlement of a member of their immediate family may be eligible for a paid funeral leave of absence. Full-time employees may be granted time off up to a maximum of three (3) paid days for the death of an immediate family member. For purposes of this policy, an immediate family member includes the employee's spouse, siblings, parents, children, step-siblings, step-parents, step-children and father- or mother-in-law. Up to one (1) day paid time off will be granted for the funeral attendance of a brother- or sister-in-law, daughter- or son-in-law, grandparents and grandchild.

For each day of absence, full-time employees will be paid at their normal base rate of pay up to a maximum of eight (8) hours per day. An extended paid leave of absence may be granted under certain conditions with the approval of the immediate supervisor while unpaid time off will require the approval of a manager.

#### Jury Duty

The Company encourages employees to fulfill their civic responsibilities by serving jury duty when required. Regular full-time employees may make a request of up to two (2) weeks (ten (10) days) of paid jury duty leave over any one-year period. All other employees will be provided leave for jury duty, which will be unpaid unless otherwise required by applicable law.

Jury duty pay will be calculated on the eligible employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence.

If employees are required to serve jury duty beyond the period of paid jury duty leave, they may use any available Paid Time Off or may request an unpaid jury duty leave of absence.

If any regular employee has been subpoenaed or otherwise requested to testify as witnesses by the Company, they will receive paid time off for the entire period of witness duty.

Regular full-time employees will be granted a maximum of 24 hours of paid time off to appear in court as a witness at the request of a party other than the Company. Employees will be paid at their base rate and are free to use any remaining paid leave benefits (such as paid time off leave) to receive compensation for any period of witness duty absence that would otherwise be unpaid.

The subpoena should be shown to the employee's supervisor immediately after it is received so that operating requirements can be adjusted, where necessary, to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits.

In order to be eligible for paid leave, an employee must present a jury summons and pay verification from the Clerk of Court. When employees are dismissed from court duty prior to the end of the workday, they are expected to return to work or contact their supervisor for instructions. Time off that is not authorized as jury duty will not be paid.

***Military Leave***

An unpaid military leave of absence will be granted for employees who enlist, are inducted or called to active duty in the Armed Forces of the United States for a period of up to five (5) years. Employees who perform in and return from military service, the military reserves or the National Guard will retain their rights with respect to reinstatement, length of service, vacation and compensation as required by the applicable state and federal laws.

Full-time employees, and those regularly scheduled to work at least 20 hours per week, may receive pay when participating in annual training duty in the military reserves or National Guard in accordance with applicable law. Employees will receive their normal rate of pay minus any compensation received from their military pay for a period of up to two (2) weeks each year, unless otherwise required by applicable law.

#### Additional Information

While the Company believes in and recognizes the need for various leaves of absence, employees have the responsibility to be fair, open and honest with the Company. The Company may require substantiation for leaves of absence to verify the nature and length of each leave request, as allowed by applicable law. If the verification establishes that the employee is falsifying the reason for the absence, the employee will be subject to disciplinary action, up to and including termination. All pay will be stopped immediately. The Company may seek reimbursement for compensation or benefits paid to or on behalf of an employee who falsifies a leave of absence, as allowed by applicable law.

## Worker’s Compensation and On-the-Job Injury and Illness

You are covered by Worker’s Compensation insurance if injured in the course of your work or if you become ill due to work-related causes. This insurance is paid for by the Company and may cover medical costs, as well as partial income replacement, if you are unable to work.

If you become ill or sustain any injury (even a scratch, cut or sliver—no matter how slight) while at work, you must promptly report this to your supervisor. Minor injuries too often become major problems. If medical help beyond the Company’s first aid is required, you will be sent to a doctor at no cost to you, provided the illness or injury is a qualified work-related incident.

Employees who sustain a work related injury or illness may be required to complete a Worker’s Compensation Injury Report or other documentation required under Company policy and/or applicable law. Your supervisor will also assist you with completing the necessary paperwork, if necessary. Any medical bills incurred due to such work-related injury should be submitted to Human Resources.

## 401(k) Plan

Our 401(k) Savings Plan is a voluntary (employee contribution only) savings plan. Individual contributions are made through payroll deductions and are subject to IRS limitations. Employee contributions apply to direct pay, consisting of base and overtime earnings, incentives, commissions and bonuses. The Company matches $.50 per $1.00 put in up to a $1,000 maximum match.

***Eligibility***

Employees who complete at least 1,000 hours of service and are 20 years of age or older are eligible to participate in this plan after completing one (1) full year of continuous service at the Company. Upon eligibility, employees are automatically enrolled into the Voya 401(k) Savings Plan at a six percent (6%) contribution rate. Employees receive notification directly from Voya and have the ability to change the contribution rate or waive participation. All participants receive an annual one percent (1%) increase to their contribution election up to a ten percent (10%) contribution rate. The increase can also be waived by notifying Voya.

A Summary Plan Description is provided to each participant. This booklet will outline specific benefits, investment options, illustrations of savings benefits and withdrawal options. You are encouraged to read this booklet—please contact Human Resources for more information.

# Section V: Additional Information

## Business Expense Accounts

At times, you may incur costs as a result of conducting Company business. Some positions involve frequent expenses for travel, lodging and/or meetings. Expense reports, along with original receipts, are to be submitted weekly and require the approval of your supervisor. Falsification of expense reports will be grounds for disciplinary action, up to and including discharge.

## Company-Owned Vehicle

Certain employees may be assigned a Company-owned vehicle while employed with the Company. Company vehicles are to be used solely for business purposes and, even if taken home, should not under any circumstances be used for personal errands.

It is the responsibility of the employee who uses a Company-owned vehicle to care for the vehicle as if it were his/her own. Regular maintenance should be conducted to ensure proper running of the vehicle. The Company will pay for reasonable preventative maintenance. Please notify the supervisor if any equipment, machines, tools or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee’s responsibility for maintenance and care of equipment or vehicles used on the job.

It is a requirement that anyone driving on behalf of the Company has a valid driver’s license, a favorable driving record and observes all safety laws. The Company will perform a driving record verification upon hire. Any fines or penalties related to an employee’s use or misuse of a Company-owned vehicle or equipment will be the responsibility of the employee. Any damage or loss to a vehicle must be reported to your supervisor as soon as possible. The improper, careless, negligent, destructive, or unsafe use of operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment.

Under no circumstances is an employee of the Company to operate a Company-owned vehicle while under the influence of illegal drugs or alcohol.

## Gifts and Gratuities

During the course of business, employees may at times be presented with gifts by suppliers, customers, or other business associates. Such gifts may result from friendships that have developed and may be perfectly proper, even though gifts of substantial and lasting value are involved.

Unfortunately, however, the business relationship cannot be separated from the personal relationship. Accordingly, the integrity of the recipient can always be questioned when a gift is received. Therefore, no employee or family member may accept any gift, gratuity, favor or loan of more than nominal value from anyone with whom the employee does Company business. This may be seen as a violation of the Anti-Kickback Statute (42 USC § 1320a-7b(b)).

Any questions regarding what is proper and acceptable should be immediately discussed with management.

## Inclement Weather/Emergency Closings

On rare occasions, unusual conditions may cause interruption of the normal work schedule. In the event of an emergency closing due to severe weather or failure of utilities, etc., the partner, or other person in authority, may determine that the workday is to be discontinued. Employees who are at work and are sent home will be paid for the time missed from work for the remainder of the workday.

In cases where an emergency closing is not authorized, employees who fail to report for work will not be paid for the time off. Employees may request available paid leave time such as unused paid time off benefits.

When the Company makes the decision to close for the entire regular work day, payment to nonexempt employees for their regularly scheduled shift will be made at the discretion of the Company and in accordance with applicable law. Exempt employees will be paid in accordance with the Fair Labor Standards Act assuming they were scheduled to work on the affected day(s).

Employees in essential operations may be asked to work on a day when operations are officially closed. In these circumstances, employees who work will receive regular pay.

The Company has an emergency hotline where employees can call about closings. The phone number for the Company hotline is (262) 521-7111. This is set up as a normal voicemail box but the greeting will be updated depending on the situation.

# Receipt/Acknowledgment Form

Kinex Medical Company, LLC, R&M Rehabilitation, R&M Rehabilitation of Iowa and Kinex Connect (the “Company”) believes wholeheartedly in the policies, practices, programs and procedures described in your employee handbook. By signing this acknowledgment you agree and acknowledge the following:

* The Company reserves the right to modify, revoke, suspend, terminate or change any of the policies, practices, programs, guidelines and employee benefits in this employee handbook, in whole or in part, at any time, with or without notice. This employee handbook supersedes all previous written and verbal policies.
* The language used in this employee handbook is not an express or implied contract nor a guarantee of employment. Employment with the Company is “at-will,” meaning either you or the Company may terminate the employment relationship at any time, with or without notice or cause. No person other than a partner has authority to make any agreement for employment for any specified period of time or to make any agreement contrary to the foregoing. Further, any such agreement must be put in writing and signed by both the employee and a partner.
* The information contained in this employee handbook is presented in summary form as a matter of information only. It is your responsibility to be familiar with these policies and procedures. If questions regarding the application of benefit information in this employee handbook should arise, reference may be made to the appropriate unabridged Plan Document(s) maintained by Human Resources.
* The final decision on any question regarding interpretation of the Company’s policies rests with the Company.
* By signing this form, you agree and acknowledge that you have received and read the handbook and that you understand its contents.
* You also agree and acknowledge that you will not release patient information to any source outside of the Company without prior signed permission from the patient. Patient information is also held confidential among employees and is only discussed on a need-to-know basis. You agree that you will not discuss any patient information outside the Company unless necessary to the care and welfare of the patient.

This will acknowledge that I have received a copy of the Employee Handbook revised and effective \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2018.

Signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name (Print) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. Federal FMLA leave is not available for leave to care for a domestic partner or parent-in-law (including the parent of a domestic partner). [↑](#footnote-ref-1)