

EMPLOYEE HANDBOOK



Hourly

Effective January 2010

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WELCOME

I am pleased that you have joined Mar-Bal, Inc. and extend best wishes for a mutually rewarding relationship.

The position that you are filling is an important part of a team of people whose purpose and need is to produce the highest quality products in our industry. Achieving the high level of quality requires the full commitment of all employees. Mar-Bal is dependent upon the skills, experience and commitment, which you and our other employees bring to the job.

This handbook is a summary of our rules and regulations and also speaks to the philosophy and principles which guide us. It has much valuable information about your role at Mar-Bal. Read it carefully and keep it available as a reference when you have questions.

Best of luck in your new work life with us and my sincere best wishes for years of satisfying experience with Mar-Bal.

Sincerely,



Scott Balogh
President and CEO

OUR MISSION

Create, develop and manufacture innovative products that will translate into value for our customers and all stakeholders.

Strategically invest in materials science and process engineering research and development to continuously improve product quality and cost performance to enhance our long term competitive advantage.

Promote a collaborative culture that respects and acknowledges all individuals and their contributions to the company and the community.

HANDBOOK RULES AND REGULATIONS

This handbook is your guide to Mar-Bal's policies and philosophies as well as our rules and regulations that govern us at work. These policies were developed to exert a positive influence on our day to day relationships and to ensure that rules and policies are uniformly applied throughout our operation.

None of the benefits or policies in this handbook are intended by reason of their publication to confer any right or privileges or to entitle you to be or remain employed by the company.

Mar-Bal, Inc. relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data will result in your exclusion from further consideration for employment or, if you have been hired, termination of employment.

The contents of this handbook are presented as a matter of information only. While the company believes wholeheartedly in the plans, policies and procedures described here, they are not conditions of employment and are subject to unilateral change by the company at any time.

This book is designed as a guideline to our employees, not as a contract. As we grow together and share each other's ideas, the handbook will be updated.

This book cannot provide all the details on any given subject. You should direct any questions you might have to your supervisor or to the personnel office.

Employment at Mar-Bal is for no definite period and may, regardless of the time and manner of payment of wages and salary, be terminated at any time by the company or by the employee with or without cause and without any previous notice. Further, no employee of this company, including management and supervisory personnel, other than the President, has the authority to enter into an agreement for employment for any specified period of time or to make any such agreement contrary to the foregoing. Any such agreement with the President must be in writing. This lack of guarantee or employment contract also applies to other benefits, working conditions, and privileges of employment at Mar-Bal.

While we hope your employment with the company will be long lasting, employees are, of course, free to resign at any time just as the company is free to terminate your employment at any time.

Mar-Bal is a union free operation and it is our strong commitment to stay that way. We are committed to providing a working environment in which you will find a union unnecessary. We believe that we have policies that will help us resolve any questions you may have concerning your conditions of employment. We firmly believe that individuals prefer to work with each other directly rather than through a third party.

Your wages, benefits, and our policies and practices are reviewed periodically to ensure that you are receiving fair treatment. You are encouraged to talk directly with your supervisor, or any manager at any time that you question something or have a problem, whether it be personal or business related. We pledge ourselves to the highest level of respect for the individual dignity of our employees.

Information of interest and importance to you is regularly posted on our bulletin boards. The boards are for administrative purposes and employees may not post or remove any information from it without approval from the Human Resource office. Notices concerning outside organizations and events that do not relate to activities of Mar-Bal may not be posted on the bulletin board.

Mar-Bal is an equal opportunity employer. Mar-Bal will maintain the policy of nondiscrimination with all employees and applicants for employment. All aspects of employment with us will be governed on the basis of merit, competence and qualifications and will not be influenced in any manner by race, color, religion, sex, age, national origin, disability or any other basis prohibited by law.

All decisions made with respect to recruiting, hiring and promotions for all jobs will be based solely on individual qualifications related to the requirements of the position. Likewise, all other personnel matters such as compensation, benefits, transfers, reduction enforce, recall, training, educational and social/recreation programs will be administered free from any illegal discrimination practices.

Mar-Bal also gives all employees the right to a work environment free from intimidation and harassment because of their sex, race, age, religion, and ethnic origin. Infractions of this policy should be reported to your immediate supervisor. In the case the infraction is made by your own supervisor you need to report the violation to your supervisor's manager or Human Resources.

Mar-Bal will not tolerate violence in the workplace and administers zero tolerance to such matters.

WHAT THE COMPANY EXPECTS FROM YOU

Mar-Bal needs your help in making each working day enjoyable and rewarding. Your first responsibility is to know your own duties and do them promptly, correctly, and pleasantly. Secondly, you are expected to cooperate with management and your fellow employees and to maintain a good team attitude.

How you interact with fellow employees and those whom Mar-Bal serves and how you accept direction can affect the success of your plant or office. In turn, the performance of one location or office can impact the Company. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability.

EMPLOYEE COMMUNICATION

A. ABOUT THIS HANDBOOK

To best accomplish our mission, we must effectively engage our available resources, including the most important of these: our skilled and dedicated employees. Because employment conditions have a direct bearing on performance and job satisfaction, we believe that sound, well-defined human resource practices are imperative for maintaining a high level of professional services. These principles have guided us in developing this Employee Handbook that describes the conditions, responsibilities, and benefits of employment with Mar-Bal.

We developed this Employee Handbook to describe our expectations and many of your responsibilities as our employee, to acquaint you with Mar-Bal, and to provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You must read and understand the contents of this handbook as soon as possible so you can fully comply with its provisions and have a source for answers to many questions about employment here.

The policies and procedures in this handbook supersede any prior written or practiced descriptions of working conditions, employee benefits, and other policies and procedures affecting your employment.

Human Resources is responsible for the daily administration of the policies described in this handbook. No employee or manager, other than the President of Mar-Bal, has the authority to make any agreement contrary to the policies described in the handbook. All modifications will be in writing.

No Employee Handbook can anticipate every circumstance or question about policy. As the Company continues to grow, the need may arise to change policies described in this Employee Handbook. Mar-Bal, therefore, reserves the right to revise, supplement, or rescind any policy or portion of the Handbook from time to time as it deems appropriate, in its sole and absolute discretion. Any such action shall apply to existing as well as to future employees. We will make every reasonable attempt to notify employees of changes in policies and procedures, but an employee should confirm the status of a policy or practice before acting on it.

Should any provision in this employee handbook be found to be unenforceable and invalid, such finding does not invalidate the entire Employee Handbook, but only that particular provision.

Any questions concerning this handbook or its proper implementation may be addressed to Human Resources.

B. OPEN-DOOR POLICY

We encourage open communication between employees and all levels of management. Employees are free to voice any concerns or suggestions they may have regarding personnel issues, Mar-Bal policies and procedures, workplace improvements, or enhanced services to customers without fear of retaliation. While the appropriate line of communication is customarily to your manager, at times, employees may be concerned about a situation or a problem, but may feel uncomfortable about making their feelings known to their manager. If this is ever the case, we strongly suggest communicating these concerns to Human Resources or the President. Our experience has shown that when managers and employees communicate effectively, the work environment is excellent, attitudes are positive, and our mission is advanced. We believe that we amply demonstrate our commitment to employees by responding effectively to employee concerns.

C. NO RETALIATION POLICY

Mar-Bal will not retaliate against any employee for filing a good faith complaint or for cooperating in the investigation of a complaint and will not permit retaliation by anyone employed by Mar-Bal against the complaining employee. Any employee found to have retaliated against a complaining employee will be subject to disciplinary action, up to and including termination.

Mar-Bal encourages all employees to report immediately any unlawful acts of discrimination, harassment, or unethical behavior forbidden by policy so that such incidents can be quickly and fairly resolved.

D. STATE LAW

In the event any specific policy in this Handbook should now or in the future conflict with state law, state law will supersede such policy; however, all other policies within this handbook will remain in force.

EMPLOYMENT POLICIES

A. NATURE OF EMPLOYMENT – AT WILL STATUS

Because employees voluntarily enter employment with Mar-Bal, an employee is free to resign at any time, with or without notice or cause. Similarly, Mar-Bal may terminate the employment relationship at any time, with or without notice or cause, given compliance to applicable federal or state law.

The Employee Handbook is not and shall not be construed as a contract or creating a contract guaranteeing employment for any specific duration, nor does it constitute an agreement between the employee and Mar-Bal, expressed or implied of continued employment.

No employee of Mar-Bal can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without written approval from the President.

B. EQUAL EMPLOYMENT OPPORTUNITY

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Mar-Bal are based on merit, qualifications, and abilities. Mar-Bal does not discriminate on the basis of any protected class, as required by federal or applicable state law. It is the responsibility of all employees to ensure that these principles and practices are consistently in place.

This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training. Each person responsible for any of these functions is responsible for ensuring that all equal opportunity policies and practices are followed. The President also assumes responsibility as the equal employment opportunity officer for Mar-Bal.

If the concern is about a manager, or if it seems more appropriate to the employee, he or she may contact Human Resources. Employees can raise concerns and make reports without fear of reprisal or retaliation of any kind. Anyone found to be engaging in any type of unlawful discrimination or retaliation will be subject to disciplinary action, up to and including termination of employment.

C. IMMIGRATION LAW COMPLIANCE

In compliance with the Immigration Reform and Control Act of 1986, Mar-Bal employs only those individuals who are authorized to work in the United States. We treat all qualified, eligible job applicants equally and do not unlawfully discriminate on the basis of citizenship or national origin.

To verify the identity and employment eligibility of every employee hired, Mar-Bal requires each new employee to complete an Employment Eligibility Verification Form (Form I-9). Former employees who are rehired must also complete the form if they have not completed an I-9 with Mar-Bal within the past three years, or if their previous I-9 is no longer retained or valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact Human Resources.

D. DISABILITY ACCOMMODATION

We are committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the specific position.

In accordance with the ADA, Mar-Bal will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship to Mar-Bal. This policy governs all aspects of employment, including recruitment, hiring, training, promotion, transfers, compensation, and benefits. Reasonable accommodation is available to all employees whose disability affects the performance of job functions. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures and position descriptions. Leaves of all types will be available to all employees on an equal basis, subject to qualifications.

We are also committed to not discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability. We will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

This policy is neither exhaustive nor exclusive. We are committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

E. INTRODUCTORY PERIOD

As a new employee, your performance will be monitored and assessed, and training will be provided, as required. Your continued employment will be based on satisfactory overall performance during this introductory period. As a new employee, you will not be entitled to most fringe benefits for your first ninety (90) calendar days, the length of the introductory period. Once you satisfactorily complete the introductory period, you are expected to continue to properly perform your assigned job duties in order to maintain employment. While the introductory period normally lasts 90 days, it may be extended at the discretion of management.

F. OUTSIDE EMPLOYMENT

To continue an effective operation we need your best efforts as an employee. In our opinion, a full-time job with our Company is your primary responsibility. Therefore, any work you do outside your working hours must not interfere or compete with your job here. If your performance is being affected, you may face disciplinary action. Any employee who works for a competitive company or in direct competition with Mar-Bal may be terminated. Outside employment that poses a conflict of interest is not permissible. Anyone who has any outside employment must disclose this to Human Resources.

EMPLOYEE STATUS & RECORDS

The task of handling employee records and related personnel administration functions at Mar-Bal has been assigned to Human Resources. Questions regarding insurance, wages, and interpretation of policies may be directed to your manager, Human Resources, or the Controller.

A. EMPLOYMENT TYPE

It is the intent of Mar-Bal to specify employment classifications so that employees understand their employment status and eligibility for benefits. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at any time is retained by both the employee and Mar-Bal.

At the time you are hired, you will be classified as either "exempt" or "non-exempt." This is necessary because, by law, employees in certain types of jobs are entitled to overtime pay for hours worked in excess of forty (40) hours per workweek. These employees are referred to as "non-exempt" in this Employee Handbook. This means that they are not exempt from (and therefore should receive) overtime pay.

Exempt employees are those whose duties and responsibilities allow them to be "exempt" from overtime pay provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are an exempt employee, you will be advised of this classification at the time you are hired, transferred, or promoted.

If you are unsure of the job classification of your position, please ask your manager or Human Resources.

B. EMPLOYEE PERSONNEL FILES/REFERENCES/EMPLOYEE DATA

Mar-Bal maintains a human resource file for each employee. Typically, the file contains the application for employment, references, position descriptions, evaluations, correspondence, training records, records of accrued leave, payroll change notices, commendations and other relevant material. All personal medical information will be maintained in accordance with the FMLA guidelines and the American with Disabilities Act guidelines. Mar-Bal will not reveal, absent an employee's prior informed written consent, employee medical information and other sensitive information to a third party, including those managers with Mar-Bal, lacking a legitimate business need to know such information.

Human resource files are the property of Mar-Bal, and access to the information they contain is restricted. Generally, only management personnel who have a legitimate reason to review information in a file are allowed to do so. Employees may review the contents of their file, with the exception of confidential material (e.g., letters of reference), within a reasonable period after submitting a written request to Human Resources. Human resource files may be reviewed only in the

presence of Human Resources or designate. Employees may not remove information from their files, but Human Resources may make copies.

If an employee wants Mar-Bal to verify his or her employment for credit agencies, another employer or agency, the employee must provide permission by either completing an informational release form available from Human Resources, or signing an information release form provided by the requesting party. Responses to authorized inquiries Director of Human Resources will be provided by Human Resources or designate, confirming dates of employment, wage rates, and position(s) held.

An employee's name address, telephone number, emergency contact, and other information regarding family status must be kept up-to-date in the human resource file. Employees must immediately notify your manager or Human Resources of any personal information changes. It is the employee's responsibility to report any change in his/her status in order to assure that the appropriate records can be maintained on a current basis. Employee names, addresses, or telephone numbers will not be released without prior approval from management.

C. TIME RECORDING

Employees must follow the Company's method of reporting time worked to insure accurate records and to provide you with the correct payment of wages. You will be paid for all hours worked while on Company time. All overtime work must be approved by a supervisor.

Work performed by hourly employees on Company time and NOT reported for payroll is strictly prohibited.

Employees are required to report hours using the system provided by the Company. If you are dishonest in reporting your time worked, record another employee's time, or permit another employee to record your time, you will be subject to disciplinary action up to and including termination.

D. PAYDAYS & PAYROLL POLICIES

Employees will receive their pay checks at the end of their regular work week. The pay check is for work performed during the previous week.

If a pay day falls on a holiday, payment will be made on the preceding day whenever possible.

E. PAYROLL DEDUCTIONS

Mar-Bal is required by law to make certain deductions from your paycheck each time one is prepared. Among these are your federal, state and local income taxes and your contribution to Social Security. These deductions will be itemized on your check stub. The amount of the deductions will depend on your earnings and on the information you furnish on your W-4 form regarding the number of exemptions you claim. If you wish to modify this number, please request a new W-4 form from Human Resources. Only you may modify your W-4 form. Verbal or written

instructions are not sufficient to modify withholding allowances. We advise you to check your pay stub to ensure that it reflects the proper number of withholdings.

The W-2 form you receive annually reflects how much of your earnings were deducted for these purposes. Any other mandatory deductions to be made from your paycheck, such as court-ordered garnishments, will be explained whenever Mar-Bal is ordered to make such deductions.

F. PAY CORRECTIONS

Mar-Bal takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on each scheduled payday. In the unlikely event that there is an error in the amount of pay received, the employee should promptly bring the discrepancy to the attention of their manager or Human Resources so that corrections can be made as quickly as possible. Failure to bring errors in the amount of pay received to the attention of your manager or Human Resources may be grounds for disciplinary action up to and including termination of employment.

G. PERFORMANCE REVIEWS

Managers and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day, or weekly basis.

Managers provide performance evaluations each year for regular employees. These evaluations allow the manager and the employee to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. New employees may be reviewed at the end of 30, 90, and 180 continuous days from the date of hire by their immediate supervisors. Thereafter, performance reviews will occur yearly. Some employees may be reviewed more or less periodically.

Pay adjustments are awarded by Mar-Bal to assist in acknowledging superior employee performance. In each review, the employee and his/her supervisor will meet to discuss the employee's job progress. Some factors in the evaluation of job performance are as follows and not necessarily in order of importance.

- Quality of Work
- Quantity of Work
- Safe Work Habits
- Attendance
- Cooperation
- Job Knowledge

Increases in the “cost of living” are taken into consideration along with performance when raises are calculated. Yearly raises are not guaranteed.

Pay rates are guidelines and no contract is intended or implied.

Pay raises may be frozen at any time when economic conditions warrant as determined by management.

LEAVE BENEFITS

A. FAMILY AND MEDICAL LEAVE ACT

Eligible employees are entitled to twelve (12) weeks of unpaid, job-protected leave for certain family and medical reasons. Longer leave may be available if leave is needed to care for a *covered servicemember* under the military leave entitlement as explained in this policy.

Eligibility

In order to qualify for FMLA leave, employees must:

- be employed at a work site which has at least fifty (50) employees within seventy-five (75) miles of that work site;
- be employed for at least 12 months by the Company; and
- have worked 1250 hours in the twelve-month period preceding the leave.

Reasons for Leave

Leave must be taken for one of the following circumstances:

- Incapacity due to pregnancy, prenatal medical care or child birth;
- The placement of a child with the employee in connection with adoption or foster care;
- To care for a child, parent or spouse who has a serious health condition (see definition below);
- Because of an employee's own serious health condition (see definition below) that makes the employee unable to perform the essential functions of his or her position; or
- Military related leave (as described in this policy).
 - Because of any "qualifying exigency," arising out of the fact that the spouse, son, daughter, or parent of the employee is on active duty and is being deployed to a foreign country or is a member of the National Guard or Reserves who has been notified of an impending call to active duty status in the Armed Forces for deployment to a foreign country;
 - "Qualifying exigency" includes: (i) Issues arising from a covered military member's short notice deployment (i.e., deployment on seven or less days of notice) for a period of **seven** days from the date of notification; (ii) Military events and related activities, such as official ceremonies, programs, or events sponsored by the military or family support or assistance programs and informational briefings sponsored or promoted by the military, military service organizations, or the American Red Cross that are related to the active duty or call to active duty status of a covered military member; (iii) Certain child care and related activities arising from the active duty or call to active duty status of a covered

military member, such as arranging for alternative childcare, providing childcare on a non-routine, urgent, immediate need basis, enrolling or transferring a child in a new school or day care facility, and attending certain meetings at a school or a day care facility if they are necessary due to circumstances arising from the active duty or call to active duty of the covered military member; (iv) Making or updating financial and legal arrangements to address a covered military member's absence; (v) Attending counseling provided by someone other than a health care provider for oneself, the covered military member, or the child of the covered military member, the need for which arises from the active duty or call to active duty status of the covered military member; (vi) Taking up to **five** days of leave to spend time with a covered military member who is on short-term temporary, rest and recuperation leave during deployment; (vii) Attending to certain post-deployment activities including attending arrival ceremonies, reintegration briefings and events, and other official ceremonies or programs sponsored by the military for a period of 90 days following the termination of the covered military member's active duty status, and addressing issues arising from the death of a covered military member; and (viii) Any other event that the employee and employer agree is a qualifying exigency.

- To care for a *covered servicemember, including qualified veterans*, or "Caregiver Leave."¹

Spouse Employees

Married employee couples may be restricted to a combined total of twelve (12) weeks FMLA leave within any twelve (12) month period in cases other than the employee's own serious health condition.

Designation of Leave

Employees may request FMLA leave and/or the Company may designate any qualifying leave as FMLA leave.

Measuring Leave

The twelve (12) month period in which the twelve (12) weeks of leave entitlement occurs is a rolling twelve (12) month period, measured backward from the date an employee uses any FMLA leave. Thus, each time an employee takes FMLA leave, the remaining leave entitlement would be any balance of the twelve (12) weeks which has not been used during the immediately preceding (12) months.

¹ There are special rules regarding leave to care for a covered servicemember ("Caregiver Leave"). Those rules are set forth in this policy.

Notice of Need for Leave

Employees must give thirty (30) days advance notice of the desire to take FMLA leave in circumstances where the need for such leave is foreseeable. FMLA leave to accommodate planned medical treatment should be scheduled to avoid disruption of Company operations. In any case in which the necessity for military “qualified exigency” leave is foreseeable, the employee must provide reasonable and practicable notice.

Definition of Serious Health Condition

A serious health condition is generally defined as a physical or mental condition which requires inpatient care at a hospital, hospice, or residential medical care facility, or continuing treatment by a health care provider. The continuing treatment requirement may be met by (i) a period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a health care provider or one visit and a regimen of continuing treatment; (ii) incapacity due to pregnancy, or (iii) incapacity due to a chronic condition.

Employees with questions about what conditions or illnesses are covered under the FMLA policy are encouraged to consult with Human Resources.

Continuation of Benefits

While an employee is on leave, the Company will continue the employee’s medical benefits during the leave period at the same level and under the same conditions as if the employee had continued to work. Under current Company policy, the employee pays a portion of the health care premium. While on *paid* leave, the Company will continue to make payroll deductions to collect the employee’s share of the premium. While on *unpaid* leave, the employee must continue to make this payment, either in person or by mail. The payment must be received in the Human Resources Department on the day designated in your FMLA papers. If the payment is more than 30 days late, the employee’s health care coverage may be dropped for the duration of the leave. The Company will provide 15 days’ notification prior to the employee’s loss of coverage.

If an employee chooses not to return to work for reasons other than a continued serious health condition of the employee or the employee's family member, or a circumstance beyond the employee’s control, the Company will require the employee to reimburse the Company the amount it paid for the employee’s health insurance premium during the leave period.

If the employee contributes to a life insurance or disability plan, the Company will continue making payroll deductions while the employee is on paid leave. While the employee is on unpaid leave, the employee may request continuation of such benefits, and pay their portion of the premiums; or the Company may elect to maintain such benefits during the leave and pay the employee’s share of the

premium payments. If the employee does not continue these payments, the employer may discontinue coverage during the leave. If the Company maintains coverage, the Company may recover the costs incurred for paying the employee's share of any premiums whether or not the employee returns to work.

Insurance coverage typically ends at the completion of FMLA if an employee does not return to work or has extended the leave. A COBRA notice will be sent at this time, if applicable.

Increments of Leave

In some circumstances, the employee may take FMLA leave intermittently (take time off periodically) or use leave to reduce the workweek or workday, resulting in a reduced hour schedule. If leave is requested on this basis, the Company may require the employee to temporarily transfer to an alternative position which better accommodates recurring periods of absences or a reduced schedule. Leave for planned medical treatment should be scheduled to avoid disruption of Company operations. Intermittent leave and/or a reduced hour schedule are generally not permitted for the birth or placement of a child for adoption or foster care.

Certification of Serious Health Condition (and Recertification)

An employee requesting FMLA leave because of the employee's serious health condition or to care for a child, spouse or parent must provide medical certification of the serious health condition of the employee or individual requiring care. Forms are available from Human Resources. The Certification should be submitted within fifteen (15) days of the employee's initial absence or leave request. It is the employee's responsibility to make sure the Certification is complete and provided in a timely manner.

The Company may require that the employee obtain re-certification regarding the serious health condition of the employee or the employee's child, spouse or parent in certain circumstances. Employees and family members who have a serious health condition lasting longer than a year must provide a new medical Certification each year.

The Company may require, at its own expense, examination of the employee by an independent second health care provider. If the opinion of the second provider differs from the employee's health care provider, the Company may require, at its own expense, a third opinion. The third opinion is final and binding.

[Form WH-380E Certification of Health Care Provider for Employee's Serious Health Condition

Form WH-380F Certification of Health Care Provider for Family Member's Serious Health Condition]

Certification When Leave is due to a “Qualifying Exigency.”

Employees needing *qualifying exigency* leave must provide a copy of the covered military member’s active duty orders or other documentation issued by the military that indicates the covered member is on active duty or call to active duty status in support of a contingency operation and the dates of the member’s active duty service. The employee also must provide a statement of the facts regarding the qualifying exigency for which FMLA leave is requested.

[Form WH-384 Certification of Qualifying Exigency for Military Family Leave]

Use of Paid Time Off (Vacations, Sick, etc.)

Employees are required to use all accrued unused paid time off including, but not limited to vacation, sick time, etc. during the leave if Company policy allows leave in such circumstances. Any FMLA leave that extends beyond the period covered by paid time off will be unpaid unless otherwise covered by any applicable disability policy.

All paid time off will not accrue while an employee is on FMLA leave.

Restoration of Employment

Upon return from FMLA leave, employees will be restored to their former positions or comparable positions will be made available to them, unless (1) the employee would not otherwise have been employed at the time reinstatement is requested or (2) reinstatement would cause substantial and grievous economic injury and is being sought by an employee who is among the ten percent (10%) best-paid employees at the work location or within seventy-five (75) miles of the location.

As a condition of the employee’s return from leave taken because of the employee’s own serious health condition, the employee must obtain a fitness for duty certification that specifically addresses the employee’s ability to perform the essential functions of the employee’s job.

Unless an employee is granted an extension of his or her leave by management, failure to return to work on the day after the expiration of the FMLA leave will be considered a voluntary resignation.

Caregiver or Covered Servicemember Leave

An eligible employee who is the spouse, son, daughter, parent or next of kin (nearest blood relative) of a “*covered servicemember*” is entitled to leave to care for that *covered servicemember* who has a *serious injury or illness*.

A “*covered servicemember*” is a member of the Armed Forces who has a “serious health, illness or injury” incurred by the member on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member’s office, grade, rank, or rating. “Covered service members” also include veterans who are undergoing medical treatment for a “qualifying serious injury or illness” sustained in the line of duty who were members of the Armed Forces within five years preceding the need for the medical treatment.

“*Serious injury or illness*” means: (i) undergoing medical treatment, recuperation, or therapy; or (ii) is otherwise an outpatient; or (iii) is otherwise on the temporary disability retired list. It also includes service-related aggravation of existing or preexisting injuries.

“*Next of kin*” means the nearest blood relative other than the *covered servicemember’s* spouse, parent, son or daughter (blood relatives with custody, brothers and sisters, grandparents, aunts and uncles and first cousins). A *covered servicemember* may designate in writing a blood relative as next of kin for purposes of caregiver leave. If this is done, the designated person is the *only* next of kin for these purposes. When no designation is made, all eligible family members are considered next of kin and each may take FMLA leave consecutively or simultaneously. Employers may require confirmation of a “*next of kin*” relationship.

Duration of Caregiver Leave

An eligible employee may take up to 26 work weeks of leave in a single 12-month period to care for the *covered servicemember*. Leave to care for a *covered servicemember*, even if combined with other FMLA-qualifying leave, may not exceed 26 weeks in a single 12-month period. For purposes of caregiver leave, the 12 month period commences on the date the employee first takes leave to care for a *covered servicemember*.

Notice for Covered Servicemember Leave

When leave is foreseeable based on planned medical treatment for a serious injury or illness of a *covered servicemember*, the employee must provide 30 days’ notice. If 30 days’ notice is not practicable, notice must be given as soon as practicable.

Substitution of Paid Leave for “Covered Servicemember” Leave

An eligible employee is required to substitute any accrued paid vacation leave, personal leave, sick leave or other paid leave to care for a *covered servicemember*. Any such FMLA leave that extends beyond the period covered by paid leave will be unpaid.

Certification

Medical Certification of leave to care for a *covered servicemember* is required. Certification may be provided by a health care provider with the U.S. Department of Defense (“DOD”), the U.S. Department of Veterans Affairs, a DOD Tricare network or a DOD non-network Tricare authorized private health care provider.

[Form WH-385 Certification of Serious Illness or Injury for Covered Servicemember for Military Leave]

Spouses Both Employed by the Company

When Leave is to care for a “*Covered Service member*,” the aggregate amount of leave to which both a husband and wife who work for the Company are entitled is limited to 26 work weeks during the single 12-month period.

Worker’s Compensation

When a work-related illness or injury also causes a serious health condition and the employee elects to take Workers’ Compensation benefits, other paid leave such as vacation and sick time will not be substituted, but the absence will count against the employee’s FMLA leave entitlement.

Leave Under State Military Leave Laws

Company policy is to comply with all federal, state and local law that regulates family, medical and military leave for the Company’s employees.

If you have any questions regarding FMLA Leave, please contact Human Resources.

B. MILITARY LEAVE

In accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA), unpaid military leave will be granted to regular full-time and regular part-time employees to attend scheduled drills or training or if called to active duty with the U.S. Armed Services. Advance notice of 30 days of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable to provide such notice. Employees may use accrued annual leave or voluntary unpaid leave of absence, if available.

Contact Human Resources for more information about military leave, including benefits, continued duration, and return to employment duties.

C. BEREAVEMENT LEAVE

Mar-Bal understands that employees can never be compensated for the loss felt after the death of an immediate family member. In the event of a death of a family member bereavement leave may be granted.

Eligible employees may utilize up to a maximum of three (3) working days of leave (up to 1 day of paid leave; up to 2 days of unpaid leave) shall be provided to eligible full-time employees upon request to arrange for and attend funeral services of the employee's spouse, children, parents, siblings.

Up to three (3) working days of unpaid leave shall be provided to eligible full-time employees upon request to arrange for and attend funeral services of the employee's in-laws, grandparents and grandchildren.

Funeral leave will only be made available to employees for actual time spent away from work for the funeral or its arrangements. The company reserves the right to request proof of the validity of the request for bereavement leave.

Eligible employees will be compensated on the basis of his/her straight time hourly rate for the time lost from his/her regularly scheduled hours and will not be penalized as an absence for attendance tracking purposes.

D. JURY DUTY LEAVE

An employee who is notified of jury duty must immediately notify Human Resources. If an employee is required to serve as a juror he/she must comply with the following:

- A. Upon the completion of jury leave, the employee submits a certificate of attendance signed by an appropriate court official.
- B. While on jury duty, the employee must check with his or her manager on a daily basis to report availability for work for all or part of any given day during which he or she is serving as a juror.

E. VACATION LEAVE

Vacation leave with pay is available to eligible full-time employees to provide opportunities for rest, relaxation, and personal pursuits. Mar-Bal provides paid vacation as one of the many ways in which we show our appreciation for your work, knowledge, skills, and talents—all of which contribute to making our company a leader in our industry. Only regular, full-time employees are eligible for vacation leave.

Upon completion of your 90-day introductory period, eligible employees will earn paid time off on the basis of the schedule below. Vacation time will be awarded on the employee's anniversary date each year.

Completed Years of Service	Number of Vacation Days
One (1) year of service	Five (5) days
Three (3) years of service	Seven (7) days
Five (5) years of service	Ten (10) days
Ten (10) years of service	Fifteen (15) days
Twenty (20) years of service	Twenty (20) days

- A week's vacation is considered a five (5) day period. Every effort will be made to grant your vacation at the time you request, but to accommodate production requirements, the number of employees on vacation in any one week will be limited. Management reserves the right to refuse a vacation request based upon production requirements and length of service.
- If the Company has a designated vacation shutdown, employees must take their vacation during the shutdown period. Employees whose years of service entitle them to greater number of weeks vacation than the shutdown period may schedule the remainder of their vacation at other times subject to production requirements.
- Part time employees become eligible for 5 days vacation upon completing two full years of continuous service. After seven years of service, part time employees become eligible for 10 paid vacation. Vacation time will be based on the average hours per week worked for the preceding 12 months.
- Vacation pay is not considered hours worked for the purposes of computing overtime pay for hours in excess of forty hours per week.

F. HOLIDAYS

Mar-Bal will grant the following paid holidays to all regular full-time employees after successful completion of their introductory period:

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

Pay for a holiday will be on the basis of eight hours per holiday at your current straight time hourly rate immediately prior to the holiday. Part time employees

will be eligible for paid holidays after two years of continuous service. Holiday pay will be calculated based on the average hours worked per week for the preceding 12 months and paid at the current straight time hourly rate immediately prior to the holiday.

To be eligible for holiday pay you must have successfully completed your introductory training period and be full time. You must work the full scheduled day preceding and following the holiday.

In the event a holiday occurs during your vacation period, you will have the option of extending your vacation by one day or receiving pay in lieu of the time off.

Holiday pay is not considered as eight hours worked for the purpose of computing overtime pay for hours in excess of forty hours per week.

OTHER BENEFITS

Mar-Bal is committed to sponsoring a comprehensive benefits program for all eligible employees. In addition to receiving an equitable salary and having an equal opportunity for professional development and advancement, you may be eligible to enjoy other benefits that will enhance your job satisfaction. We are certain you will agree the benefits program represents a very large investment by Mar-Bal.

A good benefits program is a solid investment in our employees. Mar-Bal will periodically review the benefits program and will make modifications as appropriate to the Mar-Bal' condition. Mar-Bal reserves the rights to modify add or delete the benefits it offers.

Eligibility for Benefits

If you are a full-time employee, you may be eligible for benefits described in this Handbook as soon as you meet the eligibility requirements for each particular benefit. Coverage is available to you and your dependents as defined in the benefit summary plan descriptions. Temporary and part-time employees are not eligible for benefits.

A. INSURANCE COVERAGE

The Company offers a comprehensive, quality medical insurance program that is available to you and your family. For example, the following benefits are offered, as defined and limited in the literature provided by our insurance company:

- Medical Care Coverage
- Life Insurance
- Disability Insurance
- Dental Insurance

Upon enrolling, you will obtain summary plan descriptions describing your benefits in detail. Applicable employee contributions will be automatically deducted from your paycheck.

According to the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, in the event of your termination of employment with the Company or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continued coverage under our health insurance program for a limited period of time at your own expense, consistent with applicable laws. Consult Human Resources for details.

B. PROFIT SHARING/401K PLAN

The Company has a Profit Sharing/401(k) Plan provided to eligible employees. The details regarding the Plan including contributions, vesting, administration, and investments are provided in the Summary Plan Description, which will be given to you when you enroll. Consult Human Resources for details.

C. SOCIAL SECURITY

The United States Government operates a system of mandated insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your wages to the trust fund from which benefits are paid. Mar-Bal is required to deduct this amount from each paycheck you receive. In addition, Mar-Bal matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits.

Your Social Security number is used to record your earnings. Employees are encouraged to protect your Social Security record by ensuring your name and Social Security number on your pay stub and W-2 Form are correct. You may also want to make sure your earnings statement is accurate each year by requesting Personal Earnings and Benefit Estimate Statement from the U.S. Social Security Administration by calling 1-800-772-1213 or you may even access them on-line at www.ssa.gov.

WORK CONDITIONS & HOURS

A. WORK PERIODS

- Full time working hours are 40 hours per week or as posted by management. All employees must work posted time periods, unless changes are authorized by management.
- Everyone must observe the time periods for starting, quitting, rest periods, and lunches as set by management.
- If any employee does not work within the standard hours as posted he is not considered a full time employee.
- You must be at your work station ready to work at starting time.
- Starting work late or quitting early will be calculated in segments of 15 minutes.
- You must punch out each time you leave the company property and punch in when you return to work.
- Falsification of time punches will result in immediate dismissal.
- Unpaid lunch is a 30 minute period as set by the management. Rest period is set by management at 10 minutes.
- No overtime is permitted unless approved by management.
- Due to production and shipping requirements, it may be necessary to schedule employees for overtime work. Overtime is paid at the rate of time-and-a-half for all hours worked in excess of 40 hours per week. Holiday, vacation and personal or sick leave hours do not count as hours worked.
- No one is permitted to leave their work station until they are relieved or informed that they are dismissed by their foreman.

B. OVERTIME

From time to time, employees may be required to work overtime. Your manager will try to give you as much advance notice as possible. When you are requested to work overtime, please remember this is a job requirement.

If you are a non-exempt employee, you will be eligible to receive overtime pay of one and one-half (1 1/2) times your regular hourly wage for approved hours worked over forty (40) hours in one (1) week. If, during that week, you were away from the job because of a job-related injury, paid holiday, or paid vacation time, those hours not worked will not be counted as hours worked for the purpose of computing eligibility for overtime pay. Overtime hours will be computed only on those hours actually worked in excess of a forty (40) hour workweek. Your manager must approve all overtime in advance.

C. ABSENCES AND LATENESS

The efficient operation of the Company depends on the regular attendance and punctuality of the Company's employees. Mar-Bal therefore expects that employees will arrive for work and be prepared to be productive at their work stations at the scheduled time on a consistent, daily basis.

Mar-Bal recognizes that circumstances beyond the employee's control may sometimes cause an employee to be late or absent from work for all or part of a day. However, these occurrences greatly impact the business, Mar-Bal's responsiveness to customer requirements, and the productivity of the late or absent employee's department. Such occurrences are expensive and disruptive and place an unfair burden on other employees. Therefore, unexcused or excessive, absenteeism or tardiness will not be tolerated and may result in disciplinary action up to and including termination.

From time to time, it may be necessary for you to be absent from work. Mar-Bal is aware that emergencies, illnesses, or pressing personal business cannot always be scheduled outside your work hours. If you know in advance that you will need to be absent, please request this time off directly from your manager.

Employees are expected to be present at work 95% of the scheduled work time. An employee who does not maintain a minimum of 95% average attendance during a calendar month is subject to discipline.

Certain key positions such as maintenance, toolroom, quality, material handlers, and others require that an actual attendance average of 95% be maintained in order to stay in those positions. Any employee in a key position who does not maintain a 95% actual attendance average may be moved to another position within the company, if possible, or discharged.

Although the Company generally subscribes to the principle of progressive discipline regarding absenteeism and tardiness, depending on the nature and frequency of the infraction and all of the surrounding circumstances, the Company may take whatever disciplinary action it deems appropriate including termination, even if lesser forms of discipline have not yet been attempted.

The Company may review individual cases in the event there are extraordinary or unusual circumstances in determining appropriate disciplinary steps. The Company may consider both extenuating factors, such as great seniority and an overall good work or attendance record, as well as aggravating factors, such as a relatively brief term of employment or a generally poor work or attendance record in determining whether to waive or accelerate discipline. The Company may also waive or accelerate discipline or termination in those cases deemed necessary (e.g. in the case of abuse of the progressive disciplinary process or repeated infractions of Company policies).

Attendance warnings remain active until twelve (12) months have elapsed. Attendance warnings will be designated first warning, second warning, and third warning. Three written Attendance Warnings within a twelve (12) month period will result in discharge.

An employee must notify the office at least 1 hour before their shift begins if they will not be able to work. An employee must inform the office how long they expect to be absent from work. Tardy employees need to call their supervisor and inform them what time they will arrive at work. An employee is expected to call back if something happens and they can't get to work.

A doctor's note must be supplied by employee if 3 or more consecutive days are missed. All doctor's notes must release a patient for factory work. The doctor's note must be supplied upon your return to work. The Company may refuse to accept a doctor's note that is submitted late and your absence will be considered unexcused. Falsification of medical papers is cause for dismissal. Certain absences may be considered for Family Medical Leave.

Any employee who walks off his/her job without a legitimate reason is subject to dismissal.

Absence from work for two (2) consecutive days without notifying your manager will be considered a voluntary resignation.

A consistent pattern of questionable absences can be considered excessive, and may lead to disciplinary action. In addition, excessive lateness or leaving early without letting your manager know and obtain approval will be considered a voluntary resignation.

D. SMOKING

Mar-Bal, Inc. prohibits smoking inside its facility as well as near any entrances to the plant that are immediately adjacent to a building. Smoke must not enter doorways or ventilation systems.

Smoking is defined as the inhaling, exhaling, burning or carrying any lighted cigar, cigarette, pipe or other lighted smoking device for burning tobacco or any other plant. Smoking is not permitted in the place of employment even during lunch or break. Smoking is permitted only in outside designated smoking areas.

Our goal is to provide a healthy and pleasant work environment. Smoking is also prohibited in company vehicles owned or leased by Mar-Bal.

E. VISITORS

For business reasons personal visitors are prohibited from visiting the factory. In case of an emergency, see your manager for permission to meet with the visitor for a few minutes. All visitors must register in the office. Permission may be granted to meet with employees during lunch period in the lunch area or office. The visit should be brief and should not interrupt the workflow. If someone will not leave, please notify your manager.

F. DRESS CODE AND PERSONAL APPEARANCE

Please understand that you are expected to dress and groom yourself in accordance with accepted social and business standards, particularly if your job involves dealing with customers or visitors in person. Dress code may vary by season and department.

Please refer to your specific department dress code policy for further information.

G. COMPUTERS, INTERNET, ELECTRONIC MAIL, AND VOICE MAIL

Mar-Bal encourages the use of computers and electronic information as essential tools to support its business. Each employee is responsible for making sure that this technology is used for proper purposes and in a manner that does not violate Mar-Bal standards of acceptable workplace behavior and communication.

E-mail Policy

All e-mails sent and received on Mar-Bal computers are the property of Mar-Bal. Employee e-mails are not private even if the sender or recipient so designates them. Mar-Bal monitors its e-mail system including employees' mailboxes — and it may access or disclose messages sent over its e-mail system with or without the employee's knowledge or consent.

Computer and other passwords remain the property of Mar-Bal at all times. No employee may use a password unknown to Mar-Bal's Information Technology Department. Employees may not share e-mail passwords, provide e-mail access to an unauthorized user, or access another user's e-mail without authorization from management.

Offensive, demeaning, disruptive, or distasteful messages are strictly prohibited. This includes, but is not limited to, messages and pictures that violate Mar-Bal's policy prohibiting discrimination and harassment.

Internet e-mail messages are not confidential. Anything sent through the Internet passes through a number of different systems, all with different levels of security. The confidentiality of messages may be lost at any point unless the messages are encrypted. Encryption can be accomplished only with prior approval and, if necessary, assistance, from Mar-Bal's Information Technology Department.

Employees are discouraged from using the e-mail system to send or forward chain letters, or files with large attachments (such as graphics, sound, and video files). Use of the e-mail system for personal and home correspondence is permitted, provided that such use does not violate any of Mar-Bal's other policies such as dealing with workplace discrimination and harassment, solicitation, or outside business interests. The privilege of using Mar-Bal's e-mail system for personal use may be taken away if the personal use is determined to interfere with the employee's normal work responsibilities. Personal use of the e-mail system is permitted only on the employee's own time — during lunch or other breaks or before and after normal work hours.

Internet Policy

Mar-Bal's computer network, including its connection to the Internet, is principally intended for business-related purposes. Employees may not utilize their Internet connections to pursue any outside commercial activities, to seek other employment, or to pursue illegal activities. Personal use of the Internet connection is permitted so long as such use does not interfere with the employee's own normal work responsibilities and does not adversely affect network performance. Again, personal use of the Internet should be limited to lunch and other breaks or before and after normal work hours.

Employee use of the Internet is not private. Mar-Bal can and will monitor employee use of the Internet, including sites and pages visited, at its discretion, with or without notice to the employee. Abuse of the privilege of personal use of the Internet connection may result in losing the privilege.

Users may not establish Internet or other external network connections that might allow unauthorized persons to gain access to Mar-Bal's system and information without prior written approval of the President or Information Technology Manager.

Voice Mail

Voice mail is also not private. The Company reserves the right to access all voice mail messages. As with the use of your computer, offensive, demeaning, disruptive or other distasteful voice mail messages are strictly prohibited. This includes, but is not limited to, messages that violate Mar-Bal's policies on discrimination and harassment.

H. TELEPHONES, CELLULAR PHONES, PHOTOCOPYING, AND FACSIMILES

Telephone lines must be kept open for business purposes. Incoming calls of a personal nature must be limited to emergency situations only. Emergency messages will be relayed as quickly as possible. Personal use of the telephone for long-distance and toll calls is not permitted.

All Company photocopying and facsimile machines are to be used for business purposes only. The use of company paid postage for personal correspondence is not permitted.

No personal cell phones, ipods, walkmans, MP3 players, or similar devices are to be used in the plant or during working hours except during breaks or meal periods in the lunchroom.

The use of a cell phones, ipods, walkmans, MP3 players, or similar devices is also strictly prohibited while operating a vehicle during working hours. If you are required to use a cell phone, you must pull over and park the vehicle to ensure safety.

Our equipment may not be used to create or forward any offensive or disruptive messages.

When using Mar-Bal' property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

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

I. USE OF COMPANY EQUIPMENT/VEHICLES

Mar-Bal' property, tools, and equipment are to be used for business purposes only unless approved by the President. Therefore, Company vehicles, machines, phones, computers, copying machines, faxes, etc., are to be used for conducting Company business. You are expected to use proper care when using the company's property and equipment.

All files, gloves, and other company equipment issued to the employee is the responsibility of the employee. New gloves will be issued to employees by the foreman or his helper only when the old, worn out pair is returned to the foreman for exchange.

Material Safety Data Sheets (M.S.D.S.) are compiled and maintained. Employees are requested to read these but may not remove them from the premises. Anyone who needs a copy of the M.S.D.S. should make the request through personnel.

Operators of company vehicles are responsible for the safe operations, cleanliness, and maintenance scheduling of the vehicle. All operators of Mar-Bal's vehicles must have a valid driver's license and qualify for placement on the Company insurance policy. In the event of an accident, the police must be contacted, and a police report must be secured at the scene of the accident. Accidents involving a Company vehicle must be reported to the President or the designated person in charge. Employees are responsible for any moving violations and fines, which may result when operating a company vehicle. The use of seat belts is mandatory for operators and passengers of Mar-Bal's vehicles.

Employees will be held personally and financially responsible for any and all damages, directly or indirectly, caused by the employee while under the influence or while acting in a careless and/or negligent manner as deemed by Mar-Bal. The employee also gives absolute permissive rights to the Company to withhold any or all monies owed employee, pending or in lieu of fulfillment of employee's financial responsibility.

Any misuse of equipment or unauthorized use may subject the user to disciplinary action up to and including termination.

J. REMOVAL OF COMPANY PROPERTY

No Company property may be removed from the premises without prior written approval from the President. Any violation of this rule will result in disciplinary action up to and including termination.

K. NO SOLICITATION

Each year many requests are received from organizations and individuals seeking permission to distribute literature and solicit or collect contributions for various causes. Many of these requests are made in support of worthwhile causes that are commendable; however, if all such requests were granted, it would severely damage the efficiency of our operation. Therefore, it is necessary to limit such solicitations and distributions by the following rules:

1. Solicitations seeking contributions, payments, funds, and other solicitations or distributions of literature are not permitted on Company property at any time by outside groups or organizations or any person not employed at the Company.
2. No Company employee shall be permitted to solicit on behalf of any cause or organization while either the employee soliciting or the employee solicited is on working time. This applies to both work areas and non-work areas.
3. Solicitations by employees are only permitted when both the employee soliciting and the employee solicited are on non-working time.
4. No Company employee shall be permitted to distribute any type of printed matter on behalf of any group or organization in any work area. This rule applies regardless if the employee is on working time or non-working time.
5. Distribution of printed matter is only permitted in non-work areas when both employees involved are on non-working time.
6. The only exceptions to these rules are the few philanthropic campaigns which the Company sponsors and supports.

Bulletin Boards

Mar-Bal maintains two bulletin boards at each facility for posting information of interest to employer and employees.

One bulletin board is clearly marked “Mar-Bal Company Updates” and is used to communicate important Company information. This bulletin board is strictly for the purpose of communicating important Company information, including information relating to various federal and state laws. All posted items must be approved in advance by the President or Human Resources. You are responsible for reading the information posted on this bulletin board.

A second bulletin board is clearly marked “Mar-Bal Employee Board”, which is for general use by anyone in the Company including conveying information related to solicitations on behalf of charities and other outside organizations. While this bulletin board may be used to convey many kinds of information, no one may post materials that violate other Company policies, such as the policy prohibiting discrimination and harassment.

L. COMPUTER SOFTWARE (UNAUTHORIZED COPYING)

Mar-Bal does not condone the illegal duplication of software. The copyright law is clear. The copyright holder is given certain exclusive rights, including the right to make and distribute copies. Title 17 of the U.S. Code states that "it is illegal to make or distribute copies of copyrighted material without authorization" (Section 106). The only exception is the users' right to make a backup copy for archival purposes (Section 117).

The law protects the exclusive rights of the copyright holder and does not give users the right to copy software unless a backup copy is not provided by the manufacturer. Unauthorized duplication of software is a federal crime. Penalties include fines up to and including \$250,000, and jail terms of up to five (5) years. Even the users of unlawful copies suffer from their own illegal actions. They receive no documentation, no customer support and no information about product updates.

1. Mar-Bal licenses the use of computer software from a variety of outside companies. The company does not own this software or its related documentation and, unless authorized by the software manufacturer, does not have the right to reproduce it.
2. With regard to use on local area networks or on multiple machines, the use of software shall be in accordance with the software publisher's license agreement.
3. Anyone learning of any misuse of software or related documentation within the company must notify his or her manager.
4. According to the U.S. Copyright Law, illegal reproduction of software can be subject to civil damages and criminal penalties, including fines and imprisonment. Mar-Bal employees who make, acquire or use unauthorized copies of computer software shall be disciplined as appropriate under the circumstances. Such discipline may include termination.

M. INSPECTION OF EMPLOYEE PARCELS

Under reasonable circumstances the Company reserves the right to perform inspections and checks of personal or Company property when it is deemed necessary. Such inspections include offices, desks, as well as personal articles, including purses, lunch boxes, brief cases, backpacks, lockers and personal vehicles on Company property.

The Company reserves the right to search Company premises with or without notice. The Company can enter an employee's desk or file cabinet for reasons other than suspicions of theft or a crime, such as the retrieving of documents.

By signing the acknowledgment of receipt of this handbook, employees expressly agree to searches that require employees to open their personal bags, empty pockets, etc. upon entering or leaving Company property.

Failure of an employee to submit to a search can be cause for disciplinary action up to and including termination.

EMPLOYEE CONDUCT

A. SEXUAL AND OTHER UNLAWFUL HARASSMENT

Mar-Bal is committed to providing a work environment that is free of discrimination and unlawful harassment. Mar-Bal prohibits sexual harassment in the workplace, whether committed by management or non-management staff. No manager may threaten or insinuate, either explicitly or implicitly, that an employee's submission to, or rejection of, sexual advances will in any way influence any decisions regarding that employee's employment, wages, advancement, assigned duties, or any other condition of employment or career development.

Other sexually harassing conduct in the workplace that may create an offensive work environment, whether it is in the form of physical or verbal harassment, and regardless of whether committed by management or non-management staff is also prohibited. This includes, but is not limited to advances, propositions, continued or repeated verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual and the display in the workplace of sexually suggestive objects or pictures. Harassment may further be described as:

- Repeated offensive physical actions, written or spoken, and graphic communication (for example, obscene hand or finger gestures or sexually explicit drawings).
- Any type of physical contact when the action is unwelcome by recipient (for example, brushing up against someone in an offensive manner).
- Expectations, requests, demands, or pressure for sexual favors.
- Slurs, jokes, posters, calendars, cartoons, and gestures that are offensive.

Any such offensive conduct will be considered a prohibited form of harassment when any of the following are true:

- There is a promise or implied promise of preferential treatment or negative consequence regarding employment decisions or status.
- Such conduct has the effect of creating an intimidating or hostile or offensive performance.
- A third party is offended by the sexual conduct or communication.

It is recommended that the affected employee should ask the alleged harasser to stop. Should the harassment continue even after you have asked the employee to stop the action, you are encouraged to report it immediately to your immediate supervisor, Personnel Administrator, or Human Resources. No employee will suffer retaliation, reprisal or intimidation as a result of reporting an incident.

All complaints of harassment will be investigated promptly and impartially. Reports of harassment and investigation of those reports will be kept confidential unless disclosure is required for investigation or by law. The results of the investigation, and/or any action taken as a result of the investigation, will be communicated to the complaining party.

Discriminatory treatment which is found to be based upon an individual employee's race, ethnicity, age, religion, national origin, disability, status as a veteran, or other legally protected characteristic is also strictly prohibited. The same disciplinary and investigative standards applicable to sexual harassment will be applicable to other forms of unlawful harassment to the same extent.

Substantiated sexual harassment or other discriminatory behavior — and likewise, willful filing of a false report of sexual harassment or other discriminatory behavior — will result in disciplinary action, up to and including termination, and may lead to personal liability.

This policy applies to all employees, vendors, customers, or others who enter our workplace. Managers are responsible for taking proper action to prevent and/or end such behavior in the workplace.

B. ETHICS AND CONDUCT

The successful business operation and reputation of Mar-Bal is built on 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 thorough regard for the highest standards of conduct and personal integrity.

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

Mar-Bal will comply with all applicable laws and regulations and expects its management, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

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 manager and/or with Human Resources for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of all employees. Disregarding or failing to comply with this standard of business ethics and conduct may lead to disciplinary action, up to and including termination of employment.

C. EMPLOYEE HONESTY AND INTEGRITY

It is your responsibility to advise your manager or the President when you observe a person taking company property that does not belong to them, whether it is an employee, a customer, or contractor.

Employees are expected to be honest when handling company funds, material, tools or technology. You are also expected to keep all information about our business confidential. This includes sales volume, advertising and promotion plans, accounting figures, salaries, etc. You are not permitted to remove any company

property, records, equipment, merchandise or supplies from company premises without permission.

In the event employees jeopardize their careers because of dishonest acts or disclosure of confidential information, the company may implement the following procedures in order to protect the rights of innocent employees:

- Thorough questioning and/or investigation through an honesty verification test in accordance with federal and state laws.
- Restitution will be required and prosecution resorted to when justified.
- Any employee that we believe to be guilty is subject to termination.

D. CONFLICT 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 Mar-Bal requires employees to operate. The purpose of these guidelines is to provide general direction so that associates can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the President for more information or questions about conflicts of interest.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in personal gain for that employee or 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 related by blood or marriage.

Key employees may be required to sign a statement disclosing any real or potential conflicts of interest. These statements should be updated to disclose any new conflicts that may develop each year. All other employees are required to disclose potential conflicts as soon as they become aware of them.

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 as soon as possible, they disclose the existence of any actual or potential conflict of interest to Human Resources or the President of Mar-Bal so that safeguards can be established to protect all parties.

Personal gain may result not only in situations where Mar-Bal does business, but also whenever an employee or relative receives any substantial gift or special consideration as a result of any transaction or business dealings involving the Company.

E. CONFIDENTIALITY OF INFORMATION

Many of our employees have access to valuable information relating to Mar-Bal's operations, pricing of products and services, customer lists, business methods, credit agreements, financial conditions, future projections, and business plans, etc. This information about the company and its customers is to be guarded by everyone.

The protection of confidential business information and trade secrets is vital to the interests and the success of Mar-Bal. Such confidential information includes, but is not limited to, the following examples:

- | | |
|---|--|
| <ul style="list-style-type: none">• Performance Description• Customer lists• Marketing strategies• Financial information | <p>Plan/ Job</p> <ul style="list-style-type: none">• Proprietary production processes and formulations• Pending projects and proposals• Research and development strategies• Technological data |
|---|--|

Human resource files are kept locked when not under the direct supervision of the staff charged with their maintenance.

Employees are responsible for safeguarding information when using computer equipment. Employees must use caution when using passwords and are not permitted to release such information to unauthorized staff.

The privacy of our employees is also confidential. Information concerning insurance claims, financial conditions, etc., is privileged and not to be discussed with other employees or any person not authorized to have access to it.

Employees who by position description are exposed to confidential information may be required to sign a non-disclosure agreement as a condition of employment. Employees who improperly use or disclose trade secrets or other confidential information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

F. INTERNAL INVESTIGATIONS

From time to time, we may be required to conduct internal investigations pertaining to security, auditing, or work-related matters. Employees are expected to cooperate fully with and assist in these investigations, if requested to do so.

G. EMPLOYEE CONDUCT AND WORK RULES

The Company has rules of conduct that apply to all employees. To assure orderly operations and provide the best possible work environment, Mar-Bal, Inc. expects you to follow rules of conduct that will protect the interests and safety of all Associates and the organization as well as assure compliance with state and federal laws. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace.

The following list, which is not all-inclusive, outlines certain acts and behavior that are not acceptable. Unacceptable behavior makes an employee subject to disciplinary action up to and including discharge.

First level offenses are unacceptable acts and behavior that subject the employee to disciplinary action. In general, the disciplinary action for these types of offenses

result in the issuance of written warning notices. The purpose of a written warning is to impress upon an employee the need for corrective action on his or her part. If a written warning is issued, it becomes a part of an employee's record and will be considered when evaluating an employee for merit increases, for promotions, for transfers, or for additional discipline.

A written warning remains active until twelve months have elapsed. Attendance warnings will be designated first warning, second warning, and third warning. Attendance warnings remain separate from Work Rules Warnings. Three written warning notices within a twelve month period, regardless of the type of first level offense, will result in discharge.

An employee who feels that a warning is not correct has 5 days after the date of issuance to question the validity. It is the employee's responsibility to prove the warning is invalid. After 30 days the warning becomes part of the employee's permanent employment record.

Warning discrepancies should be brought to your supervisor's attention. Management is responsible for evaluating each case based on its individual facts. Although Mar-Bal, Inc. generally subscribes to the principle of progressive discipline, depending on the nature of the infraction and the surrounding circumstances, the Company may take whatever disciplinary action it deems appropriate including discharge, even if lesser forms of discipline have not yet been attempted. This is particularly true if circumstances indicate that an employee's violation of a Company policy or work rule was deliberate or intentional.

Examples of first level offenses which will generally result in a written warning are the following:

1. Careless or improper use of Company property.
2. Absence without calling in 1 hour before the shift begins.
3. Failure to notify your supervisor promptly of your completion of assigned work.
4. Unauthorized or excessive tardiness or early quitting.
5. Unauthorized and excessive time away from your work station.
6. Inadequate job performance.
7. Failure to meet established quality standards.
8. Failure to meet housekeeping responsibilities.
9. Obscene, abusive or disruptive language or behavior.
10. Failure to meet production requirements.
11. Failure to promptly complete accident reports.
12. Unauthorized use of telephones, fax machines, copiers, mail system or other employer-owned equipment.

13. Failure to wear prescribed safety equipment, take the necessary safety precautions, or adhere to dress code.
14. Lack of attention to job responsibilities.
15. Failure to follow prescribed work procedures.

Second level offenses include behavior that is generally more serious than first level offenses and the first repetition of this type of offense usually results in discharge.

Examples of second level offenses which will result in a final warning are:

1. Violating health or safety rules.
2. Leaving the company without punching in or out.
3. Unauthorized use of Company materials or equipment.
4. Violations of the Company's sexual harassment policy.

Third level offenses include behavior of such a serious nature that a first occurrence will normally result in immediate discharge.

Examples of third level offenses are:

1. Using alcohol or drugs or bringing them onto Company property, or violating the drug and alcohol policy by reporting to work when intoxicated or when your ability is impaired by the use of alcohol or drugs.
2. Leaving the plant during working hours without informing your supervisor and obtaining permission.
3. Possession, distribution, sale, transfer or use of alcohol or illegal drugs in the workplace while on duty or while operating employer owned vehicles or equipment.
4. Falsifying any Company records such as accident reports, insurance claims, personal absence records, time cards, or production reports.
5. Negligence or improper conduct leading to damage of employer-owned property, customer-owned property or the property of other employees.
6. Insubordination or other disrespectful conduct.
7. Fighting or threatening violence in the workplace.
8. Theft, misappropriation, unauthorized possession or removal of Company's or other's property
9. Refusal to work or perform any work assignment.
10. Sleeping during work hours.
11. Unauthorized possession of explosives, firearms, or other dangerous weapons on Company property, including the parking lot.

12. Unauthorized disclosure of business secrets or confidential information.
13. Failure to report an absence for a two-day period without a satisfactory explanation.
14. Walking off the job.

Personal Conduct

Employees should conduct themselves in a professional manner. Employees are expected to approach their work with a good attitude, including a willing, cooperating attitude toward co-workers and managers. Employees should treat customers and co-workers in a pleasant, courteous manner. Every employee should strive to make the Company as professional, efficient, and safe as possible.

H. DRUG-FREE WORKPLACE

It is our desire to provide a drug-free, healthful, and safe workplace and to comply with all applicable laws. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on Company premises, and while conducting business-related activities for Mar-Bal off-premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. Employees may use physician-prescribed medications, provided that the use of such medications does not adversely affect job performance or the safety of the client, employee, or other individuals in the workplace.

Employees are urged to report immediately any incidents or suspected incidents of drug or alcohol activity, including use or impairment, to their manager. To the extent feasible and consistent with handling the problem, an employee's report of suspected drug activity will be handled in a confidential manner.

We strictly prohibit the use of, being under the influence of, or being impaired by alcoholic beverages, illegal drugs, or controlled substances while on Company property, while on duty regardless of the location, or while operating a vehicle or equipment leased or owned by Mar-Bal. Violation of this policy may lead to corrective action up to and including termination. Such violation may also have legal consequences.

Consistent with this policy, we reserve the right to conduct such tests, as deemed prudent, appropriate, and scientifically sound in order to monitor, verify or prevent the use of alcohol or controlled substances by Mar-Bal employees. Further, we reserve the right to implement a screening program for applicants and/or transferees for identified job categories where the use/abuse of controlled substances and/or alcohol would be of concern given the nature and duties of the identified job. Mar-Bal reserves the right to test employees:

- When, the employee is involved in any industrial accident resulting in destruction of Mar-Bal property, injury to his/herself or to a fellow employee, guest or client requiring treatment at a medical facility.
- When there is "Reasonable Suspicion" that employees are using or are under the influence of alcohol or drugs on the job.

H. SAFETY

Mar-Bal is committed to providing a safe and healthful work environment for its employees, customers and visitors. Some of the best safety improvement ideas come from employees. Those with ideas, concerns or suggestions for improved safety in the workplace are encouraged to raise them with their Manager. All reports and concerns about workplace safety issues may be made without fear of reprisal.

Each employee is expected to obey safety rules and exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate manager. Employees who violate safety standards, who cause

hazardous or dangerous situations or who fail to report or, where appropriate, remedy such situations, may be subject to corrective action up to and including dismissal. All specific guidelines and policies must be followed.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees must immediately notify their manager. An incident report form must be completed as soon as possible and forwarded to the designated person in charge. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefit procedures. Incident report forms should be completed for any accident regardless of the involvement of the employees, clients, customers, or visitors.

Safety Dress Guidelines

- Safety glasses must be worn at all times. (Sun glasses are not considered safety glasses). Prescription glasses must be worn with side shields.
- Gloves must be used when handling hot molds and parts.
- Closed shoes must be worn at all times.
- Hair longer than top of shirt with collar must be tied up, secured above the collar or can be put up by a bandanna, hats, shower cap, hair pins, etc.
- Limited jewelry may be worn, but should not be loose or dangle.
- Failure to use and follow safety procedures and equipment will result in a written warning or dismissal.

Entering and Leaving the Premises

At the time you are hired, you will be advised about the proper entrances and exits. Our insurance company prohibits unescorted or unauthorized visitors in our facilities. If you are expecting visitors, such as clients, or friends, please ensure they are escorted at all times.

Security

Maintaining the security of Mar-Bal buildings and vehicles is everyone's responsibility. Develop habits that ensure security as a matter of course. For example:

- Always keep cash properly secured. If you are aware that cash is insecurely stored, immediately inform the person responsible.
- Always have two (2) individuals in the plant at any given time.
- Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise.
- When you leave Company premises make sure that all entrances are properly locked and secured.

In Case of Fire

If you are aware of a fire, you should:

- Dial 911 or the local fire department.

- If possible, immediately contact your manager. Evacuate all employees from the area.
- If the fire is small and contained, locate the nearest fire extinguisher. This should only be attempted by those who are knowledgeable in the correct use of fire extinguishers.
- If the fire is out of control, leave the area immediately. No attempt should be made to fight the fire.

When the fire department arrives, direct the crew to the fire. Do not re-enter the building until directed to do so by the fire department.

Emergency Evacuation

All employees must be familiar with the location of emergency exits. The employees must also be familiar with the appropriate responses that are to be taken in the event of a building evacuation. If you are advised to evacuate the building, you should:

- Stop all work immediately.
- Contact outside emergency response agencies, if needed.
- Shut off all electrical equipment and machines, if possible.
- Walk to the nearest exit, including emergency exit doors.
- Exit quickly, but do not run. Do not stop for personal belongings.
- Proceed, in an orderly fashion, to a parking lot near the building. Be present and accounted for a possible roll call. Do not re-enter the building until instructed to do so.

Reporting Work Related Injuries

If you are injured on the job, no matter how slightly, report the incident immediately to your manager. Failure to do so may result in disciplinary action up to and including termination of employment. We ask for your assistance in alerting management to any condition that could lead or contribute to an employee accident.

I. HOUSEKEEPING

A clean and orderly workplace is more pleasant for everyone and is essential for safety, quality work, and fire prevention. Good housekeeping is everyone's responsibility. Please do your part by keeping your work space neat and clean to reduce the chance of accidents and the possibility of fire. Do not leave dirty dishes on your desk or in your work area.

Cluttered aisles present a safety hazard and detract from a well-kept appearance. Use waste receptacles and discard material that is no longer useful. Never throw paper, bottles, cans or other trash on the floor, grounds, loading docks or in the parking lots.

If we all cooperate, housekeeping will not be a problem for anyone.

J. WORKPLACE VIOLENCE PREVENTION

We are committed to preventing workplace violence and to maintaining a safe work environment. Mar-Bal 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/company property.

All employees, including managers 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. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from Mal-Bal premises without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or other characteristic protected by federal, state, or local law.

All threats of violence or actual violence, both direct and indirect, should be reported as soon as possible to your immediate Manager 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, an employee should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to a manager. An employee should not place himself or herself in peril – e.g., should not try to intercede in a disturbance in the workplace.

We will promptly and thoroughly investigate all reports of threats of violence or actual violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, we may suspend employees, either with or without pay, pending investigation.

Anyone determined to be responsible for threats of violence 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. Mar-Bal encourages employees to bring their disputes or differences with other employees to the attention of their manager, Human Resources, or President of Mar-Bal before the situation escalates into potential violence. We are committed to assisting in the resolution of employee disputes and will not discipline employees for raising such concerns.

K. POSSESSION OF WEAPONS

Employees are prohibited from possessing or storing any weapon or other dangerous item (1) on Mar-Bal property; (2) in the workplace; or (3) while conducting Company-related business on or off property controlled by the Company regardless of whether the employee is licensed to own or carry the weapon. Employees are prohibited from possessing or storing any weapon or other dangerous item in any vehicle used for Company-related business. Nothing in the State's Concealed Weapons Law changes this policy.

The term “weapons” includes, but is not limited to, handguns, firearms, knives, explosives, mace, stun guns or other dangerous items.

All employees are required to report the presence of a weapon on Company property to Human Resources. Employees who violate this Policy will be subject to discipline, up to, and including, immediate termination from employment.

L. COMPLIANCE WITH THE LAW

Mar-Bal has a moral and ethical responsibility to the well being of the community it serves. To that end, Mar-Bal will cooperate with and assist law enforcement agencies to the fullest extent possible, when confronted, concerning investigations or apprehensions of one of our employees. Further, should an employee violate any of the rules and guidelines contained within this handbook Mar-Bal will attempt restitution and or prosecution to the fullest extent of the law.

M. PROBLEM RESOLUTION

Mar-Bal expects its managers and supervisors to give you fair and impartial treatment without favoritism or personal prejudice. At the same time Mar-Bal expects you to make a sincere effort to promote harmony in the efficient operation of the Company. Experience teaches, however, that problems may arise from time to time. It is our desire to do our very best to resolve such problems and, therefore, we have developed an internal problem solving procedure.

1. If you have a problem, or complaint, discuss it with your supervisor immediately. It is an important part of his/her job to deal thoroughly and promptly in resolving problems. Due to his/her closeness to the situation, he/she should be the best equipped to help resolve the problem. Most problems and complaints can and should be resolved at this level.
2. If you prefer not to discuss your problem or complaint with your supervisor, or after discussing it with your supervisor, you do not feel that it was resolved, you may discuss the matter with the Plant Manager.
3. If, after the first two steps you still feel the matter has not been resolved, you may discuss it with the Human Resource Administrator of Mar-Bal. The Human Resource Administrator will thoroughly review your problem and discuss it with the appropriate parties concerned and make a final decision.

This policy has been established for the expressed purpose of resolving problems. It will be administered so that you will not be penalized or otherwise suffer in any way for using this procedure for legitimate reasons.

It is our sincere belief that the prompt and effective use of the problem solving procedure will help to maintain harmonious relations among all employees at Mar-Bal.

EMPLOYMENT TERMINATION

Mar-Bal operates under the principle of at-will employment. This means that neither you nor Mar-Bal has entered into a contract regarding the duration of your employment. You are free to terminate your employment with Mar-Bal at any time, with or without reason. Likewise, Mar-Bal has the right to terminate your employment, or otherwise transfer, discipline, or demote you at any time, with or without reason, at the discretion of Mar-Bal.

It is requested that you will give at least two (2) weeks notice in the event of your resignation. Mar-Bal reserves the right to accept any resignation immediately.

A. RETURN OF PROPERTY

Any Mar-Bal property issued to you, such as product samples, computer equipment, keys, parking passes or Mar-Bal credit card must be returned to Mar-Bal at the time of your termination. You will be responsible for any lost or damaged items. The value of any property issued and not returned may be deducted from your paycheck, and you may be required to sign a wage deduction authorization form for this purpose.

B. POST-EMPLOYMENT INQUIRIES

Mar-Bal does not respond to oral requests for references. In the event your employment with Mar-Bal is terminated, either voluntarily or involuntarily, the policy of Mar-Bal is one of "verification only". As an employee of Mar-Bal, do not under any circumstances respond to any requests for information regarding another current or former employee.

CLOSING SUMMARY

A. HANDBOOK CHANGES

We hope this handbook has answered most of your questions about your employment with Mar-Bal. All policies, practices, procedures, and benefits described in this handbook are subject to modification at any time with or without notice. Details of those changes will be available to you through your manager, the President, or other Officers. Should you have questions regarding those changes please feel free to discuss them with your manager, Human Resources, or the President.

B. SUMMARY

We are happy that you decided to join Mar-Bal and hope that your employment here yields many opportunities for personal gratification and growth. Should you ever encounter a situation that you are uncertain of or have an idea of how to improve working conditions or to grow our sales, please feel free to contact any member of management, including the President.

Mar-Bal Inc.

ACKNOWLEDGMENT OF EMPLOYEE HANDBOOK RECEIPT

(Employee Copy)

The contents of this Employee Handbook are presented as a matter of information only and supersede any previous policies. While they correctly describe the current policies, procedures, and benefits of Mar-Bal, they do not create any vested rights for Mar-Bal employees. Mar-Bal reserves the right, in its sole discretion, to modify, revoke, suspend, terminate, or change any or all such policies, procedures, or benefits, in whole or in part, at any time, with or without notice.

Nothing contained in this Handbook shall be construed as a contract of employment for a specific term or duration between Mar-Bal and any one or more of its employees. Just as you may voluntarily leave at any time, your employment may be terminated at any time with or without cause.

No employee, manager, or officer of Mar-Bal, other than the President, has any authority to offer, or enter into, an agreement for employment for a specific period of time with Mar-Bal employees or applicants, or to make any agreement contrary to the above policy. Any such agreement must be expressly stated in writing and signed by the President.

To insure that your understanding of this subject is as complete as possible, please do not hesitate to discuss any human resource policies or procedures with your manager or Human Resources.

Please acknowledge your receipt of the Employee Handbook by signing below. This acknowledgment also constitutes your express agreement to a search of your personal property, pursuant to the Company's search policy.

Employee's Signature

Date

Employee's Printed Name

Job Title.

Mar-Bal Inc.

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