



Merrick Industries, Inc. – Merrick Environmental Technology, Inc. – Weighing & Control Services, Inc.
Materials Handling Equipment Company - Conveying Systems & Equipment Company



EMPLOYEE HANDBOOK

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Merrick Industries, Inc. – Merrick Environmental Technology, Inc. – Weighing & Control Services, Inc.
Materials Handling Equipment Company - Conveying Systems & Equipment Company

Dear Valued Employee:

This handbook is important to you as a member of the **TANNEHILL INTERNATIONAL INDUSTRIES, INC. (TII)** organization. Our business can stay on the right course only if each employee understands and subscribes to the Company's policies, goals, and guiding principles.

At **TII** people are important, the jobs they do are important, and our customers are important. Every day we individually and collectively face harsh challenges of the real economic world; but at the same time, we also discover opportunity for satisfaction that comes from a job well done and working constructively together. **TII** is a good company and provides for a good way to earn our living.

Our relationships are based on a foundation of mutual trust, openness, and honesty. Moreover, each of us shares in a mutual commitment to **TII's** operating objectives and policies. We must fulfill our Customers' needs with superior products and services. We must know our Customers and know how to improve their products or processes. Only then can we efficiently engineer and manufacture solutions that contain the greatest imagination, technical competence, and quality achievable. As a result, **TII** will provide Customers with unparalleled value with dependable, high performance, and usable products.

The successful future of **TII** depends upon your commitment to Company objectives and how you participate with others in working together. Only through an effective organization – all of us pulling together – can we truly progress as a Company. Everyone has an acute concern for their family, their job, their opportunities to contribute, and their self-esteem. Each concern can be positively enhanced at **TII** by each of us taking individual responsibility for our performance. This means doing our job to the best of our ability and being thoughtfully involved with the Company's present and future.

You will add value to our offerings and reputation when you join in commitment to the objectives and policies shared by the rest of us in the Company. This commitment ensures that **TII** attracts good people and satisfies Customers. I hope you will join in every effort to keep **TII** the very special company it is.

Joe K. Tannehill, Jr.
President & C.E.O.

Our Mission Statement

- What we are.
- What we believe in.
- What we do.

Our strength is built on our most important resources – our people and our customers. At TII we believe in sensitivity toward customer needs; safety, dedicated effective employees; products with unique qualities, leadership in market niches; balance and diversification; decentralized management; managing for results; recognition and reward; and in excellence in everything we do. We recognize and appreciate good performance, yet continually strive to improve; Not comfortable nor satisfied, we are committed to change that improves what we do and encourages learning and intellectual growth. TII consistently attracts and retains the highest caliber employees, who have helped make our style-a style that encourages innovation and accepts prudent risk; that asks difficult questions and places high value on listening to answers. A style that communicates opening and frequently; that is dedicated to personal and corporate growth. A style that rewards excellence and does not accept mediocrity. That will not tolerate politics. A style that takes action and is above all honest. Our commitment and direction allows us to provide the best products and services to our customers.

September 27, 1991

I. Introduction

A. Purpose of Handbook

The purpose of this handbook is to acquaint Employees with general information about the Company and provide guidelines regarding policies, practices, and benefits. ***However, neither this handbook, nor any other Company communication or practice, creates an employment contract, express or implied, and does not guarantee employment for any definite period of time.***

No Employee handbook can anticipate every circumstance or question that may arise during the course of employment. ***This handbook is not all-inclusive, and is only a set of guidelines.*** As TANNERHILL INTERNATIONAL INDUSTRIES, INC. (TII) continues to grow and conditions change, ***the Company may exercise its right to alter the content or implementation of policies, practices, and benefits as it deems appropriate and at its sole discretion at any time. These changes may be implemented even if they have not been communicated, reprinted, or substituted in this handbook.***

Florida is an employment-at-will state. This means that the employment relationship is voluntarily entered into, and both the Employee and the Employer are free to terminate the relationship at any time with or without notice or cause. ***Nothing in this handbook or other communication, implied or construed, changes the fact that employment is at-will for an indefinite period unless terminated by the Employee or the Company.***

No Employee or Company representative, other than the Chairman or President & Chief Executive Officer (CEO), has the authority to enter into an employment contract or to change the at-will relationship, or to make any agreement contrary to the above.

Every Employee is expected to read, understand and comply with the contents of this handbook and any subsequent alterations and revisions as a condition of continued employment. Any questions regarding this handbook should be discussed with the appropriate Supervisor or the Human Resource Manager.

This handbook supersedes all other previous handbooks or unwritten policies for TII.

II. Policies and Practices

A. EEO Policy Statement

TII provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, marital status or status as a covered veteran in accordance with applicable federal, state and local laws. TII complies with applicable state and local laws governing non-discrimination in employment. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, and transfer, leaves of absence, compensation, and training.

TII expressly prohibits any form of unlawful employee discrimination or harassment based on race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, marital status or veteran status. Improper interference with the ability of TII employees to perform their expected job duties is absolutely not tolerated.

B. Anti-Discrimination and Harassment Policy

TII is committed to maintaining a work environment that is free of discrimination and harassment. In keeping with this commitment, we will not tolerate discrimination or harassment of employees by anyone, including any Supervisor, co-worker, vendor, client, or customer. TII will not tolerate discriminating or harassing conduct that affects tangible job benefits, that interferes unreasonably with an individual's work performance, or that creates an intimidating, hostile, or offensive working environment.

- Harassment consists of unwelcome conduct, whether verbal, physical, or visual, that is based on a person's protected status, such as sex, color, race, ancestry, religion, national origin, age, physical handicap, genetic information, medical condition, disability, marital status, veteran status, citizenship status, or other protected group status.
- TII's policy is to investigate all discrimination and/or harassment complaints thoroughly and promptly. To the fullest extent practicable, TII will keep complaints and the terms of their resolution confidential.
- False allegations can have serious effects on the lives and careers of our employees. Therefore, false accusations that are found to be intentional will be considered a form of discrimination or harassment subject to the same disciplinary actions as other forms of discrimination or harassment.
- ***If an investigation confirms that discrimination or harassment has occurred, TII will take corrective action, including such discipline up to and including immediate termination of employe, as is appropriate.***

Sexual harassment

Unwelcome sexual advances, requests for sexual favors, and other physical, verbal, or visual conduct based on sex constitute sexual harassment when:

submission to the conduct is an explicit or implicit term or condition of employment,
submission to or rejection of the conduct is used as the basis for an employment decision, or
the conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment may include explicit sexual propositions, sexual innuendo, suggestive comments, sexually oriented "kidding" or "teasing", "practical jokes", jokes about gender-specific traits, foul or obscene language or gestures, display of foul or obscene printed or visual material, and physical contact such as patting, pinching, or brushing against another's body.

Complaint Procedure

If you feel that you are being harassed in any way by a coworker, a customer or a vendor, you should notify your supervisor or manager immediately. The matter will be thoroughly investigated and where appropriate, disciplinary action will be taken.

Our supervisors and managers are also covered by this policy and are prohibited from engaging in any form of harassing conduct. Further, no supervisor or other member of management has the authority to suggest

to any employee or applicant that the individual's employment, continued employment, or future advancement will be affected in any way by the individual's entering into (or refusing to enter into) any form of personal relationship with the supervisor or member of management. Such conduct is a direct violation of this policy.

Any person who feels that he or she is being harassed or discriminated against must immediately report the offensive conduct to his or her direct supervisor. However, if the employee's direct supervisor is in any way involved in the alleged inappropriate behavior or is unavailable, the employee should report the conduct directly to the Human Resources Manager. Finally, if the employee's direct supervisor and the Human Resource Manager are involved in the alleged inappropriate conduct or are unavailable, immediately contact the President of the Company.

YOU WILL NOT BE PENALIZED IN ANY WAY FOR REPORTING SUCH IMPROPER CONDUCT.

Please do not assume that the Company is aware of your problem. Bring your complaints and concerns to our attention so that we can resolve them.

C. Americans with Disabilities

TII will not discriminate against any qualified employee or job applicant with respect to recruitment, hiring, placement, promotion, training, transfer, benefits or compensation on the basis of the individual's physical or mental disability.

TII will make reasonable accommodation for any employee or applicants with a disability, provided the person is otherwise qualified to safely perform the essential functions of the job and the accommodation does not create an undue hardship for the Company.

Employees must notify the Human Resource Manager when accommodations are needed to perform the essential functions of their job.

D. Conflict of Interest

TII conducts its operations with the highest ethical and business standards. The integrity of the Company is a reflection of the conduct of its employees in their relationships with customers, suppliers, competitors, government representatives, the business community and general public. Employees are expected to conduct themselves in an honest and ethical manner at all times and in all actions, business and personal, which may reflect upon the Company.

Employees are required to be free from any influence, interest or relationship that may conflict with **TII's** interests. This includes any form of bribe, kickback, extraordinary commissions or other unlawful or improper payments that may influence a business decision.

Employees and their families are prohibited from accepting or soliciting gifts, entertainment, or other benefits intended to influence another. Employees must refuse any and all of the following from a person or organization seeking to do business, or in competition, with **TII**:

- Gifts of more than token value (\$25.00);
- Loans of any amount;
- Excessive entertainment, such as paid trips; or,
- Substantial favors, such as employment for relatives or friends.

Any circumstance that may constitute a potential conflict of interest shall be immediately reported to your Supervisor, Human Resources or CEO.

Employees are required to notify appropriate management before participating in outside employment. Approval will be granted unless the activity conflicts with the Company's interest. In general, outside work activities are not allowed when they:

- Prevent the employee from fully performing work for which he or she is employed at the Company, including overtime assignments.

- Involve organizations that are doing or seek to do business with the Company, including actual or potential vendors or customers.
- Violate provisions of law or the Company's policies or rules.

Employees may be required to work beyond normally schedule hours. In case of conflict with any outside activity, the employees' obligations to the Company must be given priority. Employees are hired and continue in **TII's** employ with the understanding that **TII** is their primary employer and that other employment or commercial involvement, which is in conflict with the business interests of **TII** is strictly prohibited. **A conflict of interest may lead to the employee's termination from employment.**

E. Intellectual Property Rights

During the course of employment with **TII**, an employee may receive or create confidential information. Employees are prohibited from disclosing confidential and proprietary information during employment or following termination of employment in order to compete with the company. All employees are required to sign a Confidential Information Agreement upon hire and as required by **TII**.

F. Initial Employment Period

The first year of active, full-time employment is referred to as the "initial evaluation period". All new and rehired employees work on a conditional basis for the first year following the hire date. This period allows the Company and new employee the opportunity to evaluate each other and the working relationship. During this period, the immediate Supervisor will monitor the employee's capabilities, performance, behavior and work habits and will periodically discuss the new employee's progress.

The Supervisor may conduct thirty (30), sixty (60), and/or ninety (90) day performance reviews to determine the employee's suitability for continued employment. Employees who are transferred or promoted within the Company will be evaluated for the first ninety (90) days in the new position to determine their suitability for the assignment. The transferred or promoted employee will be expected to achieve acceptable standards of performance in the new position. Failure to meet job expectations under any circumstance may result in termination of employment. The Company may make a reasonable effort to reassign the employee to the former or a similar position, if available.

Unless otherwise noted, on the first of the month following ninety (90) days of continuous employment, a full-time employee becomes eligible to participate in the Company's benefit plan as qualifications and service requirements are met.

G. Reference Checks

The Human Resource Manager is the only designated person to provide information regarding requests for references for current or former employees.

H. Employment Classifications

Based on the situations of employment, employees of **TII** fall into the following classifications:

- Full-time Overtime Ineligible or Overtime Eligible.
- Part-time Overtime Ineligible or Overtime Eligible.
- Temporary Overtime Ineligible or Overtime Eligible.
- Conditional Overtime Ineligible or Overtime Eligible.

Full-time employees work forty (40) or more hours per week, while *part-time* employees regularly work less than forty (40) hours per week. *Temporary* employees are persons hired to temporarily increase staff size to handle additional work or fill vacancies within the Company for a limited period of time. Employees are considered "*Conditional*" if they have not yet completed the initial first year evaluation period.

- An employee is "Overtime Ineligible" if he or she is determined to be an executive, administrative, professional, outside sales or computer professional employee. All other employees are deemed to be Overtime Eligible.
- Employee classifications are determined by using job descriptions and by following the provisions of the FLSA.

I. Performance Reviews

An employee may discuss performance and job expectations at any time with his or her Supervisor. Employees may be evaluated on or about the anniversary of their date of hire, but evaluations may be conducted more frequently or less frequently, dependent upon business needs of the Company.

- Performance reviews may be conducted for new and rehired employees during the first year initial evaluation period or a transferred employee's first ninety (90) days in the new position

Both the employee and his or her supervisor must sign the written evaluation. Evaluations will be maintained in the employee's personnel file.

J. Staffing Procedures

TII is committed to staffing job vacancies with the most qualified candidates available and will use various sources to assure that staffing goals are met. When a job vacancy occurs, an external search may be conducted simultaneously with an internal one.

- TII will attempt to fill all new and vacant jobs with current employees. All promotions are based on a comparative review of interested applicants' qualifications, ability, aptitude, and quality of past work performance. Only job-related factors are considered.
- In all its selection and employment processes, including promotion decisions, TII makes every effort to ensure all individuals' equal employment opportunity. This means that all promotion decisions are made without regard to race, color, sex, national origin, age, religion, disability, genetic information and marital or veteran status.

K. Open Positions

When a new or vacant non-management position becomes available, the supervisor with the vacancy first considers the current job members of his or her staff for promotion. If qualified staff members are not interested in the job, then the job is posted for applications from other employees.

- Applications should be submitted to the Human Resource Manager. An employee moving to another classification normally enters the job at the minimum rate for that classification. However, the employee's previous experience, skill and aptitude will be taken into consideration.

L. Posting Procedures

Job openings will be posted company-wide for a period of three days. The posting will include the job title and a brief description of the essential functions of the position. A more detailed version will be available by contacting the Human Resource Manager

No posting is necessary when an employee advances to a position that reflects an increased level of skill and responsibility within the same job title and this upward movement does not result in a job vacancy.

All employees having an interest in a posted position should apply. First consideration will be given to those individuals with at least 6 months in their current position and who have satisfactory job performance and possess the required skills and qualifications of the open position. If there are no viable candidates in-house and transferring or promoting an employee before hiring a candidate from outside the company best serves the interests of the company, this time requirement may be waived.

Generally open positions will be posted, however the internal posting procedure may be waived when no qualified candidates are available, where specific academic or other training is needed, or in the case of urgent business requirements.

M. Transfers

TII will determine the staffing requirements for each department and/or shift and will make changes to meet the personnel needs on a temporary or regular basis. When practical, advance notice will be given to the effected employee.

N. Terminations

Involuntary Termination

An employee may be terminated for any reason including but not limited to misconduct, for cause or where the employee is found to have obtained employment through fraud.

In accordance with Florida law, **TII** may challenge any Unemployment Benefits an employee may attempt to obtain if he or she is terminated for unsatisfactory job performance.

Employees terminated for cause will forfeit their right to any accrued vacation time.

Resignation

Employees who wish to resign their positions are requested to notify the Human Resource Manager of their departure at least two (2) weeks in advance.

Management may ask the employee to vacate their position earlier than the effective resignation date. Employees may be asked to participate in an exit interview prior to departure. If the reason for leaving is because of dissatisfaction with the company, we would like the opportunity to discuss and understand any problems before a final decision is made.

Employees failing to provide the expected notice period shall forfeit their right to any accrued vacation time. All non-accrued time off (sick leave, floating holidays) is forfeited the day of notice.

Reduction in Force

We work hard at **TII** not to have a layoff, but in the event it is necessary to reduce the work force due to lack of work, employees will generally be laid off on the basis of affected job classification, with qualifications, skill, and ability given consideration.

Any accrued vacation time will be paid out in the case of a reduction in force.

Letters of Recommendation

Letters of recommendation for departing employees are not a matter of right but are within the sole discretion of **TII**. As a general rule, **TII**, will only verify a former employee's dates of employment, position held and whether the employee is eligible for rehire.

O. Personnel Records

TII maintains employment records for each employee in the Human Resource office. The personnel file contains information such as the employee's job application, resume, and performance records. These documents are the property of **TII**, and access to them is strictly limited. Generally, only supervisory and management personnel who have a legitimate reason to review information in a file are allowed to do so.

- With advance notice, employees may review their own file in the Human Resource office and in the presence of an authorized Company representative. No documents may be removed or copied without the CEO's prior approval. The employee may contest any statements contained in his or her file by submitting a written challenge.

Employees must notify the Human Resource Manager of any changes in the following:

- Legal name
- Address or telephone number
- Beneficiary of insurance policy
- Number of dependents
- Marital status
- Educational attainment

Requests for information for the purpose of obtaining credit, insurance, or other purposes must be accompanied by prior written authorization from the employee and will be released by authorized personnel only.

III. On the Job

A. Open Door Policy

TII Management Staff wants to deal directly with its employees with open and frank two-way communications. We sincerely believe that this can best be accomplished without third party interference or representation. Our success as a company is founded on the skills and efforts of our employees. Throughout TII, each employee is an intelligent, cooperative and productive person.

Each of you is in a position – free position – to deal directly with your supervisor on a personal and open basis regarding any matter without interference from a representative, third party, or union. We encourage you to talk with your supervisor whenever you have a problem or concern. If the Supervisor cannot be of assistance, the Human Resource Manager and the CEO are both available for consultation and guidance.

We believe a union-free environment is in your best interest, the Company's best interest and, certainly, in the best interest of the Customers we serve. We recognize that this puts a great deal of responsibility on us to make TII a good place to work with fair treatment, competitive salaries, good benefits, safe working conditions and open and honest communication.

It is most important that we work together with mutual respect in maintaining a quality, safe, and productive working environment.

B. Safety

The safety and health of each Employee of this company is of primary importance. The prevention of occupationally induced injuries and illnesses is of such consequence that it will be given precedence over operating productivity whenever necessary.

- To the greatest degree possible, **TII** will provide all mechanical and physical facilities required for personal safety and health in keeping with the highest standards.
- **TII** has established written safety programs; provides education and training; and reviews and evaluates all programs on an annual basis. Training that is specific to the job description will be provided to every Employee.
- It is the responsibility of the Employee to follow OSHA standards, follow all safety and health rules; report any hazardous conditions; report any job related illnesses and to act responsibly.

TII requires the following safety PPE to be used when working in the following facilities:

Merrick Industries – Lynn Haven

- Safety Glasses – Employees and visitors to the manufacturing area are required to wear **TII** and ANSI approved safety glasses.
- Safety Shoes – Employees and visitors (toecaps) who work outside the safety aisles are required to wear **TII** and ANSI approved steel or composite toe safety shoes rated at 75lbs.
- Clothing – Employees are required to wear appropriate clothing for the particular job description. (Refer to the employee handbook, Section III – Personal Appearance)
- Merrick Field Service employees should comply with all safety requirements at the work site location and wear proper PPE for the job being performed.

Control Panels, Inc. – Panama City

- Safety Glasses – Employees and visitors to the manufacturing area are required to wear **TII** and ANSI approved safety glasses.
- Safety Shoes – Employees are required to wear **TII** and ANSI approved steel or composite toe safety shoes rated at 75lbs. while working in the manufacturing area.
- Clothing – Employees are required to wear appropriate clothing for the particular job description. (Refer to the employee handbook, Section III – Personal Appearance)

Material Handling Equipment Company - Marietta

- Safety Glasses – None Required
- Safety Shoes – None Required
- Clothing – Employees are required to wear appropriate clothing for the particular job description. (Refer to the employee handbook, Section III – Personal Appearance).

Conveying Systems & Equipment Co. – Chesterfield

- Safety Glasses – None Required
- Safety Shoes – None Required
- Clothing – Employees are required to wear appropriate clothing for the particular job description. (Refer to the employee handbook, Section III – Personal Appearance).

Violation of safety rules or practices that constitute a danger to your health or life or that of other employees or failure to use designated safety equipment will lead to disciplinary measures up to and including termination.

See the Company Intranet Safety Section for current Safety Policies & Procedures.

C. Attendance, Punctuality and Dependability

Work shift schedules may vary, depending upon the department, business necessity and customer demands. The immediate Supervisor will advise Employees of any changes in work schedules, otherwise, the typical workday centers on production activities to support customer requirements.

TII expects its Employees to be reliable and punctual in reporting to work as scheduled. Absenteeism and tardiness place an undue burden on co-workers, the Company, and customer service.

- If an Employee cannot avoid being late for, or absent from work, he or she should call the call-in line at (850) 271-7900 as soon as possible, or at least thirty (30) minutes prior to the scheduled reporting time in order to minimize the disruption to operations.
- Absences of three (3) days or more due to illness or surgery must have a return to work authorization slip from your attending physician.
- If you are placed on any medical restrictions, those restrictions must be reviewed by Safety and/or Human Resources **prior** to your return to work. We will determine if there is work available which is compatible with your medical restrictions.

Excessive absenteeism and tardiness are disruptive and unacceptable. Either will lead to disciplinary action, up to and including termination of employment. Furthermore, an absence of two (2) or more days without supervisory notice or approval will be considered a voluntary resignation, and the employee will be removed from the Company payroll.

D. Personal Appearance

TII has chosen to offer a casual dress environment for employees. Employees are expected to use good judgment and to show courtesy to their co-workers by dressing in a manner that is presentable and appropriate. At all times employees are asked to be cognizant that regardless of their interaction with clients, customers, suppliers, or contractors **TII** is a place of business and professionalism is expected.

Should employees be asked to attend business meetings with clients, either in **TII** offices or otherwise, they should dress in appropriate business attire.

Attire deemed inappropriate include: spandex, halter-tops, tank tops, tops with bare shoulders, and tops or dresses with spaghetti-straps, athletic clothing, shorts, skorts and similar items of casual attire. The items listed above are not intended to be all-inclusive.

All employees and visitors that work outside the safety aisles in manufacturing are expected to choose attire that follows company personal appearance and safety guidelines to include wearing long pants and appropriate safety toe shoes.

Any employee who violates the standard for appropriate attire will be sent home to change and will not be compensated for the time away from work.

E. Internal complaint Procedures and Conflict Resolution

TII is committed to constructively resolving such differences in a timely and equitable basis. Any Employee with a job-related concern should bring the issue to their Supervisor's attention. If the Employee is uncomfortable with the Supervisor, or the problem is not satisfactorily resolved at that level, the Employee may take the concern to the Department Manager. Should the problem still persist, the Employee may arrange a meeting with the CEO.

- The Human Resource Manager is available at any time to counsel and advise Employees and may be present for discussions with Managers. An Employee may bring concerns to the attention of management without fear of retaliation or reprisal.
- This complaint procedure does not apply to issues of harassment and/or discrimination. Complaints of this nature should be addressed as outlined in the Anti-Discrimination and Harassment policy listed earlier in this handbook.

F. Internal Investigations and Searches

TII reserves the right to question and search Employees and to search workplace areas, including personal effects at the workplace and on Company work sites. Areas subject to search include, but are not limited to: lockers, desks, computers, computer storage discs, packages, purses, handbags, lunch boxes, briefcases, vehicles and other possessions.

- An Employee who refuses to participate in questioning or submit to a search, or who is found to be in possession of a prohibited article will be subject to disciplinary action, up to and including termination and/or prosecution.

G. Privacy

TII reserves the right to use any lawful method of investigation which it, in its sole discretion, it deems reasonable and necessary to determine whether any employee has engaged in conduct warranting disciplinary action. These investigations may include, but are not limited to, review of employees' off-duty activities which impact company business.

As all company facilities and equipment are to be used solely for the purpose of the business of the company, all information on Company premises is presumed to be related to Company business. The Company may read, review or inspect any documents, computer records, e-mail messages, internet records, voice mail messages or any other information on its premises or contained on Company equipment. Employees should not have any expectation of privacy with respect to any information located on company property or contained on company equipment, even if such information is passworded or kept in a secure location.

H. Drug and Alcohol Abuse

To assure a drug-free workplace, TII has adopted and implemented a Drug-free Workplace Policy pursuant to Florida Law and the Department of Labor and Employment Security, Division of Workers' Compensation.

- TII prohibits the use of illegal drugs on or off the job and the use of alcohol on the job. Furthermore, the use, manufacture, sale, possession, or distribution of illegal drugs, alcohol, or other controlled substances is forbidden on Company or Customer premises. It is also against Company policy to report

to work with the presence of drugs or alcohol in one's system. The abuse of over-the-counter or prescribed medications will be treated in the same manner as the abuse of illegal drugs.

- TII will conduct periodic random testing of approximately 5% of all employees.
- ***Any employee found to be in violation of this policy will be subject to disciplinary action, up to and including termination of employment.***
- ***Additionally, an injured employee who is found to be in violation of this policy at the time of his or her injury or illness will be deemed ineligible for Workers' Compensation medical and indemnity benefits.***

A copy of the TII Drug-free Workplace Policy may be found in its entirety in Appendix A.

I. Tobacco Free Workplace Policy

This policy is in effect during and after work hours and will prohibit the use of all tobacco products (cigarettes, including electronic, cigars, pipes and smokeless tobacco) on all of TII properties owned or leased, vehicles, and at any and all parking lots and grounds associated with TII. Nor is it allowed on neighboring properties as a courtesy to their owners.

- Tobacco use is prohibited inside and outside all buildings, in all parking lots and within any company owned or leased property.
- Standard Nicotine Replacement Therapy or anti-tobacco use treatments such as patches, gum, lozenges, etc. will be permitted. Electronic cigarettes are not permitted.
- All employees, vendors, customers and visitors are expected to comply with this Tobacco-Free policy while on TII property.
- This policy does not mandate that employees quit smoking. Employees are free to use tobacco products as long as they do so off property, outside of paid break times.

Enforcement of this policy is the shared responsibility of all TII personnel. All employees are authorized and encouraged to communicate this policy with courtesy, respect, and diplomacy, especially with regard to visitors. If difficulties arise with compliance of this policy, notify Human Resources.

Incidents of smoking and/or tobacco use by employees are to be documented for supervisor follow-up as well as evaluated for trends and patterns of noncompliance. All instances of noncompliance are assessed on a case by case basis and TII reserves the right to enact whatever corrective action it feels is appropriate under the circumstances.

Customers, Vendors and Visitors:

Any customer, vendor or visitor to the facility will be informed of the policy verbally or through written material. Any visitor that chooses to continue the use of tobacco products and ignores request(s) to stop will be subject to removal from the premises.

Employees are reminded that any employee who wishes to leave the TII property during the work day (such as during meal periods), must clock out. Employees cannot leave company property or clock out for rest breaks, which are a paid time.

J. Driving Policy

Employees must have a Motor Vehicle Report completed and be approved by the CFO prior to driving any company vehicle. In this capacity they are required to have and present a valid driver's license; have no more than two (2) moving traffic violations in the last 12 months; have no Driving under the Influence of alcohol or any non-prescribed substance charges; and present a copy of valid insurance coverage.

- Drivers are responsible for the security of cargo and passengers.
- All traffic laws must be obeyed, and safety restraints must be used while the vehicle is in use.

- Drivers must not use cell phones or similar devices for business or personal reasons while driving (this includes, receiving or placing calls, text messaging, surfing the Internet, receiving or responding to e-mail, checking for phone messages, or any other purpose) while driving on Company business.
- Must not smoke while driving a company vehicle.
- **TII** is not responsible for any personal property left in a Company vehicle.
- Must not engage in other distracting activities including but not limited to, eating and reading. Changing radio stations or music is also strongly discouraged while driving, even when in slow-moving traffic.
- Damages due to the employee's negligence shall be the sole responsibility of the Employee.
- Any accidents must be promptly reported to local law enforcement as well as to the company CFO.
- ***Failure to abide by all vehicle safety procedures may result in disciplinary action, up to and including termination.***

K. Violence in the Workplace

To support its efforts to provide a safe and healthful workplace, **TII** prohibits any threat or act of workplace violence. Any Employee who displays violent tendencies or threatens violence in the workplace is subject to immediate termination.

- "Violence" is defined as: physically harming another; shoving or pushing; harassment, intimidation or coercion; brandishing a weapon; or threats or talk of violence.

TII reserves the right to limit access to its property to those with a legitimate business interest and to deny admittance to any person who poses a threat to the safety of an employee.

- To preserve workplace safety, the Company may enter or inspect, with or without prior notice, all work areas including, but not limited to: work stations, desks, lockers, backpacks, purses, pockets, computers, computer storage discs, vehicles, and offices.
- Fax machines, copiers, and mail systems, including e-mail, are to be used for legitimate business purposes only. Under conditions approved by management, communications may be monitored to evaluate customer service. Any private conversations overheard during such monitoring or private messages retrieved that constitute threats against another individual will constitute a violation of the Company's policy against workplace violence and will serve as the basis for disciplinary action, up to and including termination of employment.

It is everyone's responsibility to prevent violence in the workplace. Employees must report any incident that may indicate a violation of policies designed to provide a safe work environment.

- ***Concerns shall be brought to the attention of the Supervisor and the Human Resource Manager.***
- All reports will be investigated with due regard to confidentiality, except where a need to know is required to implement a solution to the problem.

L. Workplace Security

For the safety of **TII** employees, visitors, vendors and facilities it is necessary for all visitors and vendors to sign in at the main office. This includes employee's family members and friends.

- ***All visitors must first report to the main reception area and are required to read and follow the safety guidelines given to them on their first visit.*** All visitors must have a Visitor Badge and escort while at the facility. Even if the visitor previously signed the safety log they must wear a Visitor Badge. Badges must be returned when the visitor leaves the facility.
- Any suspicious activity or unescorted visitors must be immediately reported to the Facilities Manager or to a Supervisor.
- The Company does not allow general facility tours for friends, family or vendors.

M. Accidents and Emergencies

Maintaining a safe work environment requires the continuous cooperation of all Employees. The Company strongly encourages Employees to communicate with fellow Employees and their Supervisor regarding safety issues.

- All Employees will be provided care, first aid and emergency service, as required, for injuries or illnesses while on **TII** premises.
- Employees who are injured on the job or who acquire a job related illness must report the incidence promptly and accurately to their Supervisor, or Manager, who in turn will notify the Human Resource Manager.
- Once an injury / illness has been reported, the Human Resource Manager and health care provider will review the options available to the employee. If needed, the employee will be enrolled in **TII's** Return to Work Program, where job accommodations or job modifications will be considered to assist the employee's return to full job responsibilities in a safe and timely manner.

Failure to report accidents is a serious matter as it may preclude an employee's coverage under Worker's Compensation Insurance.

N. Solicitations, Distributions, and Use of Bulletin Boards

Persons not employed by **TII** are prohibited from soliciting or distributing literature in the workplace at any time or for any purpose. While the Company realizes its personnel have interests in events and organizations outside the workplace, Employees may not solicit or distribute literature regarding such interests during working time

- Prohibited forms of solicitation include, but are not limited to: services or subscriptions outside the scope of official Company business; the circulation of petitions; the distribution of literature not approved by **TII**; and, the solicitation of memberships, fees or dues.
- The bulletin boards provide a means of communicating important Company information, and Employees should consult them regularly.
- Examples of events which may be allowed on a limited basis are fund drives and activities for Company-sponsored charitable organizations or by employees for employee gifts. These activities must be authorized in advance by the Human Resource Manager. Participation in these Company-sponsored events is entirely voluntary. An Employee who has a message of interest to others may submit the posting to the Human Resource Manager for approval and posting.

O. Cell Phones

While at work employees are expected to exercise the same discretion in using personal cell phones as is expected for the use of company phones. Excessive personal calls during the work day, regardless of the type of phone used, can interfere with employee productivity and be distracting to others. Employees who fail to abide by the cell phone policy may be restricted from bringing the phone into the facility. Employees are therefore asked to limit personal calls to emergencies during work time. Other personal calls should be made on non-work times (breaks and lunch). Employees should make sure that friends and family members are aware of the company's policy.

- Employees in possession of company cell phones are expected to protect the equipment from loss, damage or theft. Upon resignation or termination, or at any other time upon request, the employee may be asked to produce the phone for return or inspection. Employees unable to present the phone in good working condition within the time period requested will be expected to bear the cost of a replacement.
- The company will not be liable for the loss of personal cell phones brought into the workplace.
- Employees who lose or damage their company provided cell phones will be required to replace the equipment at their own expense.
- Employees who use a company-supplied device or a company-supplied vehicle is prohibited from using a cell phone, hands on or hands off, or similar device while driving, whether the business conducted is personal or company related. This probation includes receiving or placing calls, text messaging, surfing the Internet, receiving or responding to email, checking for phone messages, or any other purpose

related to employment; the business; our customers; our vendors; or any other company or personally related activities not named here while driving.

- The Company is aware that employees may use their personal cell phones for business purposes while driving in their personal vehicles. The Company prohibits employee use of personal cellular phones, either hands on or hands free, or similar devices, for business purposes related in any way to the company, while driving. This prohibition includes receiving or placing calls, text messaging, surfing the Internet, receiving or responding to email, checking for phone messages, or any other purpose related to your employment; the business; our customers; our vendors; or any other company related activities not named here while driving.
- Other distractions occur during driving. However, curbing the use of communication devices and cell phones while driving is one way to minimize the accident risk for employees. Therefore, employees are required to stop their vehicle in a safe location so that communication devices can be safely used. Engaging in company business using a cell phone or similar device while driving is prohibited.
- Employees who are charged with traffic violations resulting from the use of their phone while driving will be solely responsible for all liabilities that result from such actions. Safety must come before all other concerns. Under no circumstances are employees allowed to place themselves at risk to fulfill business needs.
- Violations of this policy will be subject to the highest forms of discipline, including termination.

P. Cyber Communication & Social Media Use Policy

We recognize that employees will use social media and other cyber communications as a growing way to connect with others. As an initial point, the same principles and guidelines that apply to your activities as an employee in general, as found throughout the Handbook and your job description, apply to your activities online. This includes forms of online publishing and discussion, including blogs, wikis, file-sharing, user-generated video and audio, virtual worlds, and social networks. The Organization trusts and expects employees to exercise personal responsibility whenever they participate in social media. This includes not violating the trust of those with whom they are engaging. We expect that employees utilizing social media will recognize and follow the guidelines included within this policy. Failure to do so will result in disciplinary action, up to and including termination.

Please abide by the following expectations:

- Always consider the power of your comments and contemplate the impact of your post on your reputation and that of the Organization before you publish it.
- Respect all confidential and proprietary information that you possess as a result of your relationship with the Organization. Secure written permission to publish or report on conversations that are meant to be private or internal to the Organization. Examples of confidential information include, but are not limited to, client/customer information, confidential academic information, proprietary data, internal policies and memorandums, and all proposed and executed organizational strategies.
- When disagreeing with others opinions, be appropriate and professional in doing so when posting such disagreement on social media sites.
- When posting about your work at the Organization, use your real name, identify that you work for the Organization and the position that you hold. Be aware of your association with the Organization in online social networks. If you identify yourself as an employee of the Organization, ensure your profile and related content is consistent with how you wish to present yourself with colleagues and clients.
- Anytime you publish content on an external website regarding anything to do with work you do or any subjects associated with the Organization, use the following disclaimer: "The postings on this site are my own and don't necessarily represent the Organization's positions, strategies or opinions."
- Respect your audience. Don't use slurs, personal insults, obscenity, or engage in any conduct that would not be acceptable in our workplace. You should also show proper consideration for others' privacy and for topics that may be considered objectionable or inflammatory.
- Employees are prohibited from posting any type of photograph of any Organization employee, client/customer, parent, family member, or volunteer on any and all social networking sites without the express written approval of the Organization.

- The Organization respects its employees' interest and willingness to convey group complaints regarding existing working conditions. While it wholly respects employees' right to discuss such concerns utilizing social media, it encourages any such concerns to be brought to the Organization's administration.
- When the Organization wishes to communicate publicly as an Organization - whether to the community or to the general public - it has well established means to do so. Only those officially designated by the Organization have the authorization to speak on behalf of the Organization.
- Vulgar, obscene, threatening, intimidating, harassing, or discriminatory behaviors on social media sites may result in an employee's immediate termination

Q. Communication and Computer Systems Security & Usage

This policy contains guidelines for the use, access, and disclosure of communications (including, among other things, telephone, mail, e-mail, voice mail, desk and laptop computers, pagers, mobile phones, faxes or facsimiles, Internet, and intranet) sent or received by employees using any Company provided Communication or Computer Systems ("Systems").

Confidentiality and Acceptable Systems Usage

The Company's Systems are intended for Company business only. All information transmitted or stored in Company Systems (e.g., client lists, documents relating to policies and procedures) is the sole and exclusive property of the Company and should be treated as confidential. Such information may not be disclosed to any person outside of the Company nor may any such information be removed from our premises without the express permission of the Director of Human Resources. Employees are strictly prohibited from accessing, reading and copying data or information stored in the Systems and from accessing, reading and copying communications not directed to them without prior authorization.

ALL SYSTEMS MESSAGES ARE COMPANY RECORDS. THE CONTENTS OF OUR SYSTEMS MAY BE DISCLOSED TO THE COMPANY WITHOUT YOUR PERMISSION. THEREFORE, YOU SHOULD NOT ASSUME THAT MESSAGES AND COMMUNICATIONS ARE PRIVATE OR CONFIDENTIAL.

Management's Right to Access Information

Our Computer, Telephone, and Communication hardware and software systems have been installed and are used to facilitate business communications. Although each employee has an individual password to access these Systems, they belong to the Company and the contents of all communications are accessible by management for any business purpose. The Company reserves the right to monitor, and will periodically monitor, its Systems in order to ensure compliance with this Policy. Employees are strictly prohibited from placing personal passwords on any Company System for the purpose of preventing such monitoring.

EMPLOYEES SHOULD NOT CONSIDER ANY MATERIALS TRANSMITTED OR STORED IN COMPANY SYSTEMS TO BE PRIVATE.

Personal Use of the Company's Communication and Computer Systems

General Usage

Because personal communications can be accessed without prior notice, employees should not use Company Systems to transmit any messages, or to access any information, which you would not want a third party to see. Although incidental and occasional personal use of our Systems is permitted, any such personal use will be treated the same as all other communications under this Policy. However, employees are at all times strictly prohibited from accessing or downloading information from the Internet for personal use.

Telephone Usage

The Telephone Systems (including voice mail) at the Company are the property of the Company and are provided for business purposes. The Company may periodically monitor the usage of the telephone systems to ensure compliance with this policy. **THEREFORE, EMPLOYEES SHOULD NOT CONSIDER THEIR CONVERSATIONS ON THE COMPANY'S TELEPHONE SYSTEMS TO BE PRIVATE.**

Personal Mail

All mail which is delivered to the Company is presumed to be related to Company business. Mail sent to you at the Company will be opened by the office and routed to your department. If you do not wish to have your

correspondence handled in this manner, please have it delivered to your home.

Forbidden Use and Content of Communications

You may not use our Systems in any way that may be seen as insulting, disruptive, offensive, or harmful to morale. Examples of *prohibited*, non-business purposes include, but are not limited to, use of the Company's Systems:

- to convey insensitive, improper, derogatory, insulting, threatening, or harassing language or remarks, or sexually explicit messages, cartoons, jokes, or other potentially offensive material;
- to send propositions, love letters, or any other message that could be construed to be harassment or disparagement of others in violation of our policy against harassment;
- to write personal letters, resumes, or other documents unrelated to Company business;
- to run computer games or other personal software, or copy such software;
- as a forum for gossip or personal communications.

Password and Encryption Key Security and Integrity

All Systems passwords and encryption keys must be available to the Company at all times. Employees shall not install encryption programs without first turning over encryption keys to your manager. Further, employees are prohibited from the unauthorized use of passwords and encryption keys belonging to *other* employees in order to gain access to other employees' messages.

Software, Personal Disks, and Networking

Computer software, whether purchased, developed, or modified by the Company, may not be downloaded, copied, reproduced, altered or appropriated by employees without prior Company authorization. Any such computer software is the property of the Company and may not be copied or appropriated by employees for *personal* use during employment with the Company or upon separation. Employees should be aware that the illegal duplication of computer software may result in the filing of criminal copyright charges by the owners of the copyrights; copyright infringement is punishable by fines and/or imprisonment.

The Company does not condone the use of unlicensed, "bootleg" or "pirate" software on its computer system. The use of such software is grounds for discipline, up to and including immediate termination. Any employee who becomes aware of the presence of any unlicensed, "bootleg" or "pirate" software on the Company's computer system should notify management immediately.

The use of personal disks or software in the Company's computer system without prior authorization is strictly prohibited. Employees are further prohibited from accessing the Company's Systems from remote locations and from connecting Company Systems to outside systems without prior authorization.

Social Networking Sites and Inappropriate Postings

The Company recognizes that the use of social networking sites such as My Space, Face Book, and LinkedIn has grown in popularity in recent years. By signing the Employee Handbook, you acknowledge and recognize that the use of any website to post or distribute any information considered detrimental or harmful to the Company, its employees, its customers, or its partners is grounds for immediate termination. This includes all postings that are made, including those that are made both during and after normal work hours. Examples of such inappropriate postings include photographs of you or other employees engaged in sexual activity, under the influence of alcohol or drugs, or engaged in other unbecoming behavior; comments reflecting negatively about the Company, peers, supervisors, leadership, or customers; and all other content that opposes the mission and purpose of the Company.

R. Use of Company Equipment and Computer Systems

The Company provides employees with supplies such as; telephones, credit cards, uniforms, computers, software, tools, automobiles and all materials necessary to perform their job. These items are to be used solely for the Company's purposes. Employees are expected to exercise care in the use of Company equipment and property and use such property only for authorized purposes. Loss, damages or theft of Company property should be reported at once.

- The Company's equipment, such as telephone, postage, facsimile and copier machine, is to be used for business purposes. Employees may only use this equipment for non-business purposes in an emergency and only with the permission of his or her supervisor. Personal usage, in an emergency, of these or other equipment that results in a charge to the Company should be reported immediately to your supervisor or the Accounting department so that reimbursement can be made.
- Upon termination of employment, the employee must return all Company property, uniforms, equipment, tools, work product and documents in his or her possession or control.
- Negligence in the care and use of Company property may be considered grounds for discipline, up to and including termination. Damages due to negligence will be the responsibility of the employee.

S. Political Participation

TII encourages civic involvement of its Employees; however, such involvement must not be conducted in a manner that implies endorsement by **TII**.

T. Romantic or Sexual Relationships

There is no prohibition against co-workers dating or engaging in a romantic relationship. In all circumstances, however, consensual romantic relationships between co-workers must not present a security issue, morale problem, or otherwise adversely impact the operations of **TII**. Immediate full disclosure of any such relationship to the Human Resource Manager is required.

- A relationship between a supervisor and subordinate is considered inappropriate and is prohibited at **TII**. This policy shall apply without regard to gender or sexual orientation of the participants in relationships of the kind described.

Failure to abide by this policy may result in termination of both employees.

U. Parking

The designated parking areas are on a first-come, first-served basis in the main parking lot. **TII** takes reasonable precautions to safeguard vehicles in company parking areas.

The company does not assume responsibility for theft or damage to vehicles or their contents. Report any occurrences to the Plant Manager, Human Resource Manager, police department and your auto insurance company.

V. Rules to Protect Us All

The Basics

Every city, nation, and society has rules for the orderly conduct of business. People cannot live and work together successfully and enjoyably without order.

This Company is the same way. We need to have certain reasonable policies and rules for the conduct of our business. Our most important rule is the "rule of reason". However, there are a few basic rules that should not be violated under any circumstances. Violation of any of these rules can result in immediate termination.

Company Policy – All employees are expected to comply with Company policy. Willful violations of any Company policy, practice or rule is subject to disciplinary action up to and including termination of employment.

Safety – We are committed to providing a safe place for you to work, and we have established a safety program to ensure that everyone understands the importance of safety. This program requires each of us to exercise good judgment and common sense in our day-to-day work. Horseplay and practical jokes can

cause accidents and injuries and therefore are not permitted. All work-related injuries or illnesses must be reported immediately to your supervisor or the safety technician.

Absenteeism and Tardiness – It is difficult for us to properly serve our customers when an employee does not report to work as scheduled. It also creates an unnecessary burden on fellow employees. Therefore, we cannot tolerate absenteeism or tardiness.

Conflict of Interest – It is our policy to forbid employees to deal in any other business which competes with our Company. If you think that there is a possibility that you may have a conflict in this regard, it is your responsibility to notify your supervisor.

Courtesy – Courtesy is the responsibility of every employee. Everyone is expected to be courteous, polite and friendly both to our customers and to their fellow employees. No one should be disrespectful to a customer, use profanity or engage in any activity which injures the image or reputation of our Company.

Damage to Property – We have made a tremendous investment in our facilities and equipment in order to better serve our customers and to make your job easier. Deliberate or careless damage to the Company's property will not be tolerated. Damage to Company equipment or Company vehicles should be reported immediately.

Fighting, Threats, and Weapons – Obviously, we cannot allow fighting or threatening words or conduct. Nor can we allow the possession of weapons of any kind on Company premises.

Fraud, Dishonesty and False Statements – Falsification of any application, medical history record, invoice, paperwork, time record, or any other document is strictly prohibited. If you observe any such violations, please report them to your supervisor or Human Resources immediately.

Gifts and Gratuities – Employees may not request or accept any gift or gratuity of any kind from a customer or supplier outside the limits of our policy without the express authorization of the President/CEO.

Harassment & Discrimination – **TII** strictly prohibits all forms of harassment and discrimination. Please review the Anti-Discrimination and Harassment policy in this handbook.

Insubordination – We expect every employee to follow the instructions of supervisors and other management officials. Failure to do so constitutes insubordination.

Misuse of Property – Our policy prohibits the misuse or use without authorization of the equipment, vehicles or other property of customers, vendors, other employees or the Company.

Poor Performance – Every employee is expected to make every effort to learn his or her job and to perform that job at a satisfactory level. Any employee who fails to maintain a satisfactory level of performance is subject to termination.

Sleeping and Inattention – We expect every employee to be fully alert while on the job to ensure the safety of all employees and to properly serve our customers. Therefore, we cannot tolerate sleeping or inattention on the job.

Substance Abuse - Substance abuse is not tolerated at this Company. Our Drug and Alcohol Policy, which is set forth in detail in this handbook, explains our position and policy regarding alcohol and drug use as well as the use of other intoxicants and mind-altering substances.

Theft – We do not tolerate theft in any form. In order to protect you, your co-workers, our customers and the Company, we reserve the right to inspect all lockers, desks, tool boxes, purses, briefcases, packages, vehicles and any other personal property which is brought onto Company property. If you wish to remove any Company property – including scrap – from the premises, you must obtain written permission in advance from your supervisor.

Unlawful Activity – No employee may engage in any unlawful activity either on or off the job as this can adversely affect the Company's reputation.

Tobacco Free Workplace – The use of any tobacco products (cigarettes, including electronic, cigars, pipes and smokeless tobacco) is prohibited on all of TII properties owned or leased, vehicles and parking lots.

Company Vehicles – Speeding or careless driving while in a company vehicle is prohibited. Being in possession of or under the influence of a controlled substance or alcohol while operating a company vehicle is also prohibited.

Violation of any of these rules may lead to discipline, up to and including immediate discharge. Obviously, this list is not all inclusive and there may be other circumstances for which employees may be disciplined, up to and including immediate discharge. If you have any questions about these basics, or what we expect of you as one of our employees, please discuss them with your supervisor.

IV. Compensation

A. Salary Administration

TII strives to maintain wages and benefits that are competitive with those of other employers in our area and industry. We also try to achieve an equitable relationship of wages within the organization based on job responsibilities, requirements, and other objective factors.

- The Company reviews its pay levels and ranges frequently as conditions change and information becomes available. Pay rates are based on several factors including, but not limited to: the duties, responsibilities, and working conditions of the job, job evaluation results, market survey data, and employee performance.

The federal government requires every employer to withhold a portion of the employee's paycheck for Social Security, Medicare and Income Taxes. Other deductions will be made upon the employee's authorization, with Company approval, or as required by law.

- An employee who believes an error has been made on his or her paycheck shall immediately bring the issue to the attention of their Supervisor. Corrections, if required, will be made on the next paycheck.

Pay Dates

The workweek runs from Sunday morning at 12:00 am through Saturday night at 11:59 pm. Typically paychecks are issued every other Thursday on the following basis:

- Overtime eligible employees: Payroll covers the two-week period ending the prior Saturday.
- Exempt employees hired prior to August 1, 1998: Payroll covers the prior and current week.
- Employees hired, promoted or transferred to exempt status after August 1, 1998: Payroll covers the two-week period ending the prior Saturday.

Raises

Every job at TII is assigned a pay level based on factors such as training, experience, mental and physical effort, education, and other objective job-related factors. The value of the job is determined without consideration of the individual to ensure nondiscriminatory practices. Each individual job has a wage determinant, ranging from a minimum, or starting point, to a maximum. This provides a mechanism to recognize and reward individual progress and performance differences between employees assigned to similar jobs.

Overtime

Business demands and deadlines may require any or all employees to be available for overtime. In every instance, overtime for hourly paid employees must be approved before it is performed. Supervisors will provide advance notice of required overtime, if possible. Employees are typically notified of weekend work by the proceeding Thursday.

- In assigning overtime, Supervisors will seek to distribute extra hours equitably among employees who have the required skills and abilities to perform the needed work.
- Any employee with a preference regarding overtime should notify his or her Supervisor.
- While consideration will be given to the employee's desire to work or not to work overtime, business necessity will prevail.

Overtime eligible employees will receive 1½ times their effective hourly wage rate for any time worked in excess of forty (40) hours per week.

- Vacation will not be considered in computing overtime, except where vacation is scheduled two or more weeks in advance.
- Regular work hours, paid time off for jury duty, bereavement, sick, and holidays will be included in the calculation of overtime.

Exempt employees are ineligible for additional compensation for time worked in excess of forty (40) hours during the work-week and are regularly compensated for completion of the job.

Report-In and Call-In

An employee who reports to work as scheduled to find work unavailable; is called in after completing his or her normal shift; or is called in at least two (2) hours prior to the beginning of his or her normal shift will receive a minimum of two (2) hours or actual time worked, whichever is greater. Report-in pay does not apply when work is canceled due to the following:

- Inclement weather,
- Because of circumstances beyond the Company's control,
- When efforts have been made to contact the employee by local radio or television announcements, by telephone, or other means.

B. Time Records

The Company is required to keep accurate records of time worked for the calculation of employee pay and benefits. Time worked includes all the time actually spent on the job performing assigned tasks.

Overtime eligible employees are required to maintain accurate time cards. These records are considered official **TII** documents and serve as the basis for determining employee pay. The beginning and ending of each workday, or departures from work for personal reasons must be recorded as well as the beginning and ending time for each meal period. Concerns regarding time cards, work schedules or off-site job assignments shall be discussed with the immediate Supervisor.

- In the event of an error in report time (i.e.: failure to clock in/out) it should be immediately reported and recorded on the punch correction log.
- Employees shall not report for work more than five (5) minutes prior to the beginning of the work shift or stay more than five (5) minutes after the end of the assigned shift without prior management approval.
- An employee's pay will be considered to be true and complete unless they notify payroll within three (3) days of receiving their paychecks that an error has occurred.

Altering, falsifying, tampering with time records, or recording time on another employee's time card are considered fraudulent acts and will result in disciplinary action, up to and including termination of employment

V. Benefits

A. Employee Benefits

With every paycheck received, there are additional dollars being spent by TII to provide Employees with comprehensive, up-to-date benefits that contribute to the overall compensation of the employee, his or her quality of life, peace of mind, and financial security. ***TII reserves the right to revoke, amend, modify, or otherwise change any or all of its benefits at any time without notice and in its sole discretion.***

B. Vacation

While every effort will be made to schedule vacation according to Employee requests, ***business needs will prevail.*** Vacation should be scheduled at least two business days in advance where possible. Exceptions to this requirement will be made on an emergency basis only. Individual preferences are considered by Supervisors or department Managers as the basis for scheduling time off for the convenience of the employee, however; it may be necessary to limit the number of employees who may be absent from a department at one time. Vacation may be scheduled in one hour increments.

Employees requesting time off should complete a **Time Off Request form** and submit it to their Supervisor or Manager for approval prior to taking any time off. For any unplanned time off (call-ins), the time off request form must be submitted no later than the Friday of the week in which time was taken. If for some reason the requested time is not taken, it is the responsibility of the employee to notify Human Resources so your record can be updated.

Employees covered under this vacation policy shall earn vacation on the “earn as you go” basis. Employees will earn time each pay period, based on the following schedule. Employees reaching a milestone date will be eligible for the new higher accrual rate on the first day of the pay period in which the employee’s anniversary falls.

| Years of Service | Hours earned per pay period | Maximum Accrual |
|------------------|-----------------------------|------------------------|
| 0 – 9 | 3.08 | 80.00 hours (10 days) |
| 10 – 19 | 4.62 | 120.00 hours (15 days) |
| 20 – plus | 6.16 | 160.00 hours (20 days) |

No hours will accrue beyond the maximum accruals listed.

Earned hours will be credited to the employee’s record in the first week after the completed pay period. Length of service determines the rate at which the Employee will accrue vacation hours.

Vacation accruals are available for use in the pay period following the pay period in which they are accrued, except for new hires who must have completed six (6) months of employment before being eligible. New hires will begin accruing after the first full pay period is completed.

Vacation time is paid at the employees’ base rate of pay.

Employees will be allowed to go into the negative at an amount no greater than forty (40) hours. Vacation requests resulting in a negative balance should be for extenuating circumstances and approval is at the supervisors’ discretion.

Roll-Over Rules

A maximum accrual has been established and rollover amounts may not exceed that maximum. At no time shall accruals exceed the maximum that has been established.

Vacation is not earned for pay periods when unpaid leave is taken or when short-term disability benefits are paid.

Payout of Accrued Time

Employees who have met the six month eligibility will be paid out for unused, earned vacation time unless terminated for cause or the required two (2) week notice is not given. ***Employees who separate employment voluntarily or involuntarily with a negative vacation balance will be required to repay advanced time to the Company.***

C. Holidays

In keeping with standard business practice, TII typically observes the following holidays by closing its facilities for general business operations:

- New Year's Day (January 1)
- Memorial Day (Last Monday in May)
- Independence Day (Fourth of July)
- Labor Day (First Monday in September)
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Eve Day (December 24th)
- Christmas Day (December 25th)
- One Floating Holiday, to be taken at the employee's discretion.

At the beginning of each year, TII will publish the dates on which each holiday will be observed. A holiday that falls on a Saturday is typically observed on the prior Friday. A holiday falling on a Sunday will typically be observed on the following Monday. The Company reserves the right to make changes in its holiday schedule, as it deems necessary to meet business objectives.

- Full-time employees, on the first of the month following ninety (90) days of continuous employment will be eligible for holiday pay. Temporary or Part-time Employees are not eligible and will not be paid for holidays. Holidays are paid at the Employee's base rate of pay for an eight (8) hour day.
- To be eligible for holiday pay, you must work your scheduled work day before and after the holiday.
- Any unused Floating Holiday time at year end will be forfeited.
- If required to work a TII recognized holiday, eight (8) hours holiday pay will be paid in addition to straight time for any hours of actual work time, unless hours worked (including the holiday), are in excess of 40 worked hours for overtime.

D. Bereavement Leave

Full-time regular Employees are eligible for bereavement leave on the first of the month following ninety (90) days of continuous employment. An employee who needs to take time off due to the death of an immediate family member should notify the Supervisor and Human Resources as soon as possible. Up to three (3) consecutive days of leave may be granted with pay to allow the Employee to make necessary arrangements and attend the funeral. Employees may, with supervisory approval, use any available paid leave for additional time off as necessary.

- For purposes of this policy, "immediate family members" include: the Employee's spouse, child, parent, sibling, grandparent, grandchild, stepparent, stepchild; and, the Employee's spouse's parent, stepparent, sibling, or grandparent.
- Special consideration will be given to any other person whose association with the Employee was similar to any of the above relationships.

E. Jury Duty

TII encourages employees to fulfill their civic responsibilities by serving on jury duty when summoned or to appear in court when subpoenaed as a witness for TII. Full-time employees are eligible to be paid for Jury Duty on the first of the month following ninety (90) days of continuous employment and will receive their regular hourly wage rate up to eight (8) hours per day for time missed.

- Either **TII** or the employee may request an excuse from jury duty if, in the Company's judgment, the employee's absence would create a substantial hardship for the employer.
- An employee subpoenaed to testify as a witness by **TII** will receive paid time off at his or her regular wage rate up to eight (8) hours per day for the period of witness duty.
- An employee requested to testify by a party other than **TII** will be granted unpaid leave for the period of witness duty. If desired, employees may use accrued vacation leave during witness leave.
- To arrange for the absence, the employee must present the jury duty summons or subpoena to his or her supervisor and the Human Resource Manager in advance. The employee must return to work when the court schedule permits.

F. Military Leave

Employees will be permitted Military Leave as required by law according to USERRA (The Uniformed Services and Reemployment Rights Act). Accrued vacation, if available, may be used for such leave.

- An employee who needs to take Military Leave shall provide a written request with a copy of the military orders to his or her supervisor and the Human Resource Manager as soon as the training schedule or call to duty is received.

G. Voting Leave

When the workday schedule does not provide at least two hours to vote at the beginning or end of the shift or normal workday, the employee may be granted up to two hours of unpaid leave to fulfill this civic responsibility. The employee must request time off to vote at least two days prior to an election. The employee will be granted leave at the beginning or end of the shift, or workday, whichever is less disruptive to operations.

H. Sick Leave

Paid sick leave becomes available to the following qualified Employees on the first day of the month following 90 days of continuous full time employment.

- Non-exempt Employees – Up to 40 hours of sick time at 100% of salary per calendar year. Must be taken in one-hour increments.
- Exempt Employees – Up to 80 hours of sick time at 100% of salary per calendar year. Must be taken in one-hour increments.

Sick leave may be used for the legitimate healthcare of the Employee or an immediate family member.

- For purposes of this policy, "immediate family members" include: the Employee's spouse, child, parent, sibling, grandparent, grandchild, stepparent, stepchild; and, the Employee's spouse's parent, stepparent, sibling, or grandparent.
- Special consideration will be given to any other person whose association with the Employee was similar to any of the above relationships.

Following the first year of employment, available sick time is based on a calendar year and any unused sick time will be forfeited. There will be no pay out for unused time.

This benefit is not intended to be used as additional vacation time or to cover tardiness. Employees who misuse this benefit risk disciplinary action up to and including termination.

I. Leave Under FMLA (The Family and Medical Leave Act)

In accordance with the Family and Medical Leave Act (FMLA) of 1993, an Employee who has worked for **TII** for at least 12 months and for at least 1250 hours in the prior 12 month period is eligible for up to 12 weeks of unpaid leave during a 12 month period under the following circumstances:

- Birth and/or care of a child of the employee.
- Placement of a child into the employee's family by adoption or by a foster care arrangement.
- To care for an immediate family member (spouse, child, employee's parent)

- The inability of the employee to perform the functions of his or her job due to a serious health condition.
- A covered family member's active duty or call to active duty in the Armed forces.
- To care for an injured or ill servicemember or qualifying exigency leave

Time used under FMLA shall run concurrently with any period of paid leave for which the employee is eligible. Employees will be required to use all sick and vacation days while on Family and Medical leave, unless they are receiving workers compensation benefits. Once all accrued paid leave is exhausted, employees may be placed on a leave without pay status.

See Appendix B for the complete plan.

J. Domestic Violence Leave Policy

TII will provide to eligible employees up to three (3) days of unpaid leave for a variety of activities connected with domestic violence. Employees must have worked at least three (3) months to be eligible.

Employees are required to provide "appropriate advance notice" of the need for leave, unless prevented from doing so because of imminent danger to the health or safety of the employee or a family member. Appropriate advance notice is defined as two (2) business days. Employees must have exhausted any available annual vacation leave, before domestic violence leave will be granted.

All leave requests and information relating to the leave will be kept confidential.

For more information on covered activities contact the Human Resource Department.

K. Health and Dental Insurance

A full-time Employee becomes eligible to enroll in **TII's** Group Health plan on the first of the month following date of hire. **TII** contributes a substantial portion of the Employee's premium for this benefit. The Employee may elect coverage for eligible dependents and make premium payments through payroll deduction.

- All changes must be made during the open enrollment period of each year. Any questions regarding benefits may be directed to the Human Resource Manager.
- Information regarding the continuation of benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) is available from the Human Resource Manager.

L. Short and Long Term Disability

On the first of the month following ninety (90) days of continuous employment, full-time Employees are provided short and long term disability insurance. This benefit is provided entirely by **TII** at no cost to the Employee.

- To qualify for disability benefits Employees must follow the policy according to the Certificates of Insurance.

See your Human Resource Department for complete details.

M. Group Life Insurance

On the first of the month following ninety (90) days of continuous employment, full-time Employees are provided a term life insurance benefit equal to one times his or her annual base salary. This benefit is provided entirely by **TII** at no cost to the Employee.

- At the time of enrollment, the Employee must designate a beneficiary for the policy. Any changes in beneficiaries or their addresses must be reported to the Human Resource Manager.
- To assist Employees in their long-term financial goals, the Company also provides the opportunity to purchase supplemental Group Term Life Insurance for the Employee and eligible dependents on a payroll deducted basis. This supplemental life insurance is on a voluntary basis and is fully owned and managed by the Employee. Full-time Employees become eligible on the first of the month following

successful completion of ninety- (90) days of continuous employment, subject to underwriting requirements.

N. 401k Plan

All full time employees on the first of the month following ninety (90) days of continuous employment and having attained the age of twenty-one (21) years are eligible for participation in the company 401k plan. For more information, contact the Human Resource Manager.

O. Tuition Reimbursement

The purpose of the Tuition Assistance Program is to encourage Employees to further their education and training in courses/degrees, which would benefit them in their work with **TII**. Business conditions permitting, **TII** will provide tuition assistance to a qualified full-time Employee who has successfully pre-applied and completed the coursework.

This program provides for 100% reimbursement for the cost of class tuition upon successful completion of the course(s) with the grade of "B" or better. Required books, class materials, and associated expenses are not eligible for reimbursement. Participants may attend any local accredited school, such as high schools, vocational or trade schools, colleges, or universities. Required pre-qualifications are as follows:

- The candidate is a regular, full-time employee who has completed one year of continuous employment with **TII** before starting the course.
- The candidate is in good standing and not on any work performance probation.
- Courses must be job-related or electives required for a degree program that is job-related. Courses and degrees that are not job-related, non-accredited or distance (including Internet) learning courses are not eligible.
- ***All coursework must be available outside of work hours and work responsibilities.***
- All candidates must agree in advance to reimburse **TII** for any tuition covered under this program if the employee chooses to discontinue employment with **TII** within two years of completing subject coursework.
- The Employee must sign a Tuition Assistance Request form and obtain appropriate approvals prior to the start of any course.
- If an employee is receiving financial assistance from any other source, this must be pre-disclosed during the application process. **TII** will provide educational assistance only for that portion of a course not paid for by another source.

VI. Appendix

A. Drug Free Workplace Policy

TII is committed to providing a safe and healthful workplace, and has established a drug-free workplace program, which conforms to Florida Law and the Department of Financial Services, Division of Workers' Compensation. The Company has a legal commitment and duty to comply with applicable state and federal statutes regarding alcohol and drug testing, including but not limited to, the Drug-Free Workplace program contained in Florida's Comprehensive Economic Development Act of 1990 (F.S.A. 440.102), the federal Drug-Free Workplace Act, and the federal or state Department of Transportation (DOT) drug testing regulations, as those statutes may apply.

General Statement

It is against Company policy to use illegal drugs on or off the job, or to use alcohol on the job. TII prohibits the use, manufacture, sale, possession or distribution of illegal drugs, alcohol, or other controlled substances on any Company or client work site. It is also against Company policy to report to work with the presence of drugs or alcohol in one's system. The abuse of prescribed or over-the-counter medications will be treated in the same manner as the abuse of illegal drugs.

The greatest danger from substance abuse in the workplace is safety related. An employee under the influence of a mind-altering substance is a danger to him/herself and to other employees as well. While safety concerns are obvious, productivity and quality are also negatively impacted by the impaired employee.

The Company's policy is to detect and deter users of alcohol, drugs or other controlled substances from our workplace.

Any employee found to be in violation of this policy will be subject to disciplinary action, up to and including termination of employment, even for the first offense.

Drugs and Alcohol Defined

The term "drug" as used in this policy shall be construed broadly to include, without limitation, any controlled substance, prescription medication, or mind-altering or intoxicating substance. Under Florida's Drug Free Workplace Program this term includes:

- alcohol (including distilled spirits, wine, malt beverages, and intoxicating liquors)
- amphetamines;
- cannabinoids;
- cocaine;
- phencyclidine (PCP)
- hallucinogens;
- methaqualone;
- opiates;
- barbiturates;
- benzodiazepines;
- methadone; or
- metabolite of any of these substances

The Company retains complete discretion to test for any of these substances.

Types of Screening

TII's Drug and Alcohol Testing Policy includes five types of tests:

1. **Job Applicant** – When permitted by state law, all job applicants are tested after the Company makes a conditional offer of employment and prior to commencement of employment. All applicants will be required to sign a consent/release form. The applicant will be removed from consideration for employment for refusal to sign/test. If the applicant is confirmed positive, the applicant will not be

considered for employment at that time and will be informed that he/she has failed to meet employment standards. The applicant will be eligible to re-apply for consideration for employment after six months.

2. **Reasonable Suspicion** – When permitted by state law, employees will be subject to testing when there is a reasonable suspicion to believe they are under the influence of drugs and/or alcohol. Reasonable suspicion may arise from observable phenomena that include, but are not limited to, witnessing drug use or possession and/or physical symptoms of drug or alcohol usage; abnormal conduct or erratic behavior; arrest or conviction for a drug-related offense; reliable or credible information; or evidence that the employee has tampered with a previous drug test. **Supervisory personnel must document the basis of suspicion in writing.**
3. **Leave of Absence** – Employees who have been off work for more than 90 days for any type of leave of absence will be subject to drug testing prior to returning to work.
4. **Post-Accident** – When permitted by state law, we will test any employee after their involvement in an accident causing property damage or requiring medical treatment, or where poor judgment, coordination, physical or mental ability, human error, or drugs or alcohol appear to be contributing factors. We will also test an employee after his/her involvement in a serious “near miss” situation, or where the employee’s action or inaction leads to the injury of another person.
5. **Random** – When permitted by state law, employees are tested periodically and randomly without advance notice.
6. **Customer-Required Testing** – Employees assigned to work at customer sites will be subject to any additional drug and alcohol policies and testing programs required by the customer, provided that the policies and programs are consistent with all applicable federal, state, and local laws.
7. **Follow-up Testing:** TII can require employees to be tested at random and for reasonable suspension. All employees who have been determined to have used drugs or alcohol or who have been referred to a Substance Abuse Treatment Program will be subjected to unannounced follow-up testing. Follow-up testing will continue on a random basis for two years following referral for treatment.

An employee who refuses to test or tests positive will be subject to disciplinary action up to and including termination of employment. Furthermore, the employee may forfeit any medical or indemnity benefits available under Florida workers’ compensation law and be subjected to other penalties that may apply under applicable laws or policies.

Employee Assistance

*The employee is responsible for seeking assistance from a community treatment facility before drug or alcohol use leads to disciplinary action. Employees who voluntarily come forward **before** being confronted with violations of this policy will not be disciplined, provided they agree to submit to random follow-up testing. The use of a treatment facility, however, will not provide a defense against disciplinary action where the facts providing a violation of policy are obtained outside the treatment program. Failure to complete the prescribed treatment program will result in discharge. Once a violation of this policy occurs, subsequent voluntary use of a treatment program will have no bearing on the determination of appropriate disciplinary action.*

An employee may be referred into a treatment facility by a supervisor. Such employee may be granted a leave of absence with a conditional return to work depending on successful completion of an agreed upon treatment regimen which shall include random follow-up testing. If the employee refuses to participate or to comply with the terms of the treatment, the employee will be subject to disciplinary action, up to and including termination of employment.

Below is a sampling of contact information for local drug rehabilitation providers and employee assistance programs:

Resources

Horizon Health EAP
888-893-6585
Available 24 hours a day

Life Management Center of NW Florida
525 E. 15th Street
Panama City, FL
850 522-4485

Narconon Gulf Coast
1-800-253-3168

Bradford Health Services
Ste 29, 700 W. 23rd Street, Bldg D
Panama City, FL
850 522-5932

Cost of Testing

TII will pay the cost of initial and confirmation drug tests required of applicants and employees.

Medications That May Affect Test Results

Indicated below are prescription and over-the-counter medications that may interfere with test results. Applicants and employees will be given the opportunity to report any drugs taken within 30 days of a drug test. Applicants and employees have a right to consult with the MRO for technical information regarding prescription or nonprescription medication.

Alcohol - All liquid medications containing ethyl alcohol (ethanol). Please read the label for alcohol content. As an example, Vick's Nyquil is 25% (50 proof) ethyl alcohol, Comtrex is 20% (40 proof), Contact Severe Cold Formula Night Strength is 25% (50 proof) and Listerine is 26.9% (54 proof).

Amphetamines, Obetrol, Biphedamine, Desoxyn, Dexedrine, Didrex, Ionamine, Fastin. Cannabinoids Marinol (Dronabinol, THC). Cocaine Cocaine HCl topical solution (Roxanne).

Phencyclidine not legal by prescription.

Methaqualone not legal by prescription.

Opiates, Paregoric, Parepectolin, Donnagel PG, Morphine, Tylenol with Codeine, Empirin with Codeine, APAP with Codeine, Aspirin with Codeine, Robitussin AC, Guaiatuss AC, Novahistine DH, Novahistine Expectorant, Dilaudid (Hydromorphone), M-S Contin and Roxanol (morphine sulfate), Percodan, Vicodin, Tussi-organidin, etc.

Barbiturates, Phenobarbital, Tuinal, Amytal, Nembutal, Seconal, Lotusate, Fiorinal, Fioricet, Esgic, Butisol, Mebaral, Butabarbital, Butalbital, Phrenilin, Triad, etc.

Benzodiazepines, Ativan, Azene, Clonopin, Dalmane, Diazepam, Librium, Xanax, Serax, Tranxene, Valium, Verstran, Halcion, Paxipam, Restoril, Centrax.

Methadone, Dolophine, Metadose.

Propoxyphene, Darvocet, Darvon N, Dolene, etc.

Visible Impairment

An employee reporting to work visibly impaired is unable to properly perform required duties and will not be permitted to work. Any employee who observes the visible impairment of another shall report the impairment to the supervisor immediately. If reasonable suspicion of drug or alcohol use exists, the employee will be sent to a testing facility by taxi or other safe transportation for testing, and may be accompanied by the supervisor or another employee, if necessary. The impaired employee will not be allowed to drive.

Medication Disclosure

No prescription drug shall be brought onto Company premises by any person other than the person for whom the drug is prescribed by a licensed medical practitioner, and shall be used only in the manner, combination, and quantity prescribed. Employees must keep each prescribed medication in the original container, which identifies the drug, date of prescription, and prescribing physician.

Any employee who is undergoing medically prescribed treatment with a controlled substance, which may limit the employee's ability to perform on the job, must report such treatment to his or her supervisor prior to beginning work. *Failure to disclose this information may result in disciplinary action, up to and including termination of employment.*

Refusal to Submit to Testing

Any applicant who refuses to submit to Pre-employment Drug Testing will be ineligible for hire. An employee who refuses to submit to testing may be terminated from employment or otherwise disciplined by the Company.

An injured employee who refuses to submit to drug or alcohol testing, or has a confirmed positive test result, may be terminated from employment and forfeits his or her eligibility for all Workers' Compensation medical and indemnity benefits pursuant to Florida law, and may further be subjected to penalties under applicable law or Company policy.

Disciplinary Action

A first violation of the **TII** Drug-free Workplace Policy, including a positive drug or alcohol test without evidence of use, sale, possession, distribution, dispensation, or purchase of drugs or alcohol on Company property or while on duty, will result in disciplinary action, up to and including termination of employment. **TII** may suspend employees without pay pending results of a drug test or investigation.

Any employee, who uses, manufactures, sells, purchases, possesses, distributes, or dispenses drugs or alcohol while on duty or on Company or client premises will be discharged.

Other provisions of the policy regarding testing include:

If the initial drug or alcohol test result is positive, a confirmation test is performed on the same specimen. The laboratory will report positive drug or alcohol test results to the Medical Review Officer (MRO). If testing detects the presence of drugs or alcohol, the employee will either be sent home (escorted) or returned to work if cleared, depending on the test results.

- **Confirmation:** Employees with a confirmed positive result can, at their own expense, have a second confirmation test made on the **same specimen**.
- **Explanations:** An employee or job applicant who receives a positive confirmed test result may contest or explain the result to the MRO within 5 days after receiving written notification of the test results; if an employee's or applicant's explanation or challenge is unsatisfactory to the MRO, the MRO shall report a positive test result back to the employer; and that person may contest the drug test result pursuant to the law or to rules adopted by the Agency for Health Care Administration.
- **Privacy:** The Company has designed the testing procedure to ensure the confidentiality and privacy rights of its employees. All information received by **TII** as part of this Drug-free Workplace Policy is considered confidential communications. Unless authorized by state laws, rules, or regulations, the Company will not release such information without a written consent form signed voluntarily by the person tested.

It is the responsibility of the employee or job applicant to notify the Laboratory of any administrative or civil action brought pursuant to Section 440.102, F.S.

Violations of the Policy

TII prohibits the manufacture, distribution, dispensation, presence or use of drugs, or other controlled substances and abuse of alcohol on its property or work sites. **TII** also prohibits reporting to work under the influence of alcohol or illegal drugs. Employees violating this prohibition may be placed on suspension pending the confirmatory test results, referred for treatment, and/or subjected to discipline up to and including termination of employment.

Any employee misusing, possessing, manufacturing, distributing, selling, purchasing or dispensing alcohol in an unauthorized manner on Company premises or on Company business, or in a manner which negatively affects the interests of the Company, will be subject to disciplinary action up to and including termination of employment.

All employees are required to notify the Human Resources Manager of any conviction for violation of a criminal drug statute or DUI/DWI laws within five (5) days of their conviction.

Searches

Where there is reasonable cause and at the discretion of **TII**, vehicles, lockers, and/or other related personal areas may be searched without prior notice to ensure a work environment free of illegal drugs.

Any employee found to have illegal drugs in his or her vehicle, locker, or other related personal area will be subject to disciplinary action, up to and including termination.

Policy Amendments

The contents of the Drug-free Workplace guidelines are statements of TII's current policy and may be changed or updated by the Company. These guidelines are not intended to create a contract between the Company and the employee. Nothing in these guidelines binds TII to a specific or definite period of employment or to any specific policies, procedures, actions, rules, or terms and conditions of employment. Employment is at-will, which means that both TII and the employee have the right to terminate the employment relationship without cause or notice. Employees are required, as a condition of employment, to abide by these guidelines.

B. FMLA (The Family and Medical Leave Act)

Employee Eligibility

To be eligible for family or medical leave, you must:

1. have worked at least 12 months for the Company;
2. have worked at least 1,250 hours for the Company over the previous 12 months; and,
3. work at a location where there are at least 50 employees within 75 miles.

Conditions Triggering leave

Family and medical leave must involve one or more of the following reasons:

1. For the birth of a child, to care for a newly-born child, or placement of a child with the employee for adoption or foster care.
2. To care for an immediate family member (spouse, child, employee's parent, or domestic partner) with a serious health condition.
3. Because of the employee's serious health condition which makes the employee unable to perform the functions of the employee's job.

Duration of Leave

Eligible employees may receive up to 12 workweeks of unpaid leave during any rolling 12 month period, measured backward from the date of any family or medical leave. Family and medical leave involving the birth or placement of a child for adoption or foster care must be concluded within 12 months of birth or placement.

You may take family and medical leave intermittently – which means taking leave in blocks of time, or by reducing your normal weekly or daily schedule – whenever it is medically necessary to care for a seriously ill family member, or because you are seriously ill and unable to work. Intermittent leave is not permitted for birth of a child, to care for a newly born child, or placement of a child for adoption or foster care.

Employees making a leave request (depending on the type of request) will be required to use all sick and/or vacation days while on Family and Medical leave, unless they are receiving workers compensation benefits. Once all accrued paid leave is exhausted, employee will be placed on a leave without pay for the duration of their Family Medical Leave eligibility.

Military Caregiver Leave

Effective immediately, up to 26 weeks of military caregiver leave may be taken to care for a spouse, child, parent or next of kin who is a "covered servicemen" with a serious injury or illness. A covered service member may be either a current service member or a veteran of the Armed Forces, provided the discharge was anything other than dishonorable and occurred within the past five years.

For a current service member, a serious injury or illness is one that was incurred by a service member in the line of duty on active duty that may render the service member medically unfit to perform the duties of his or her office, grade, rank, or rating. A serious injury or illness also includes injuries or illnesses that existed before the service member's activity duty and that were aggravated by service in the line of duty on active duty.

For a veteran, a serious injury or illness is one that was incurred by the veteran in the line of duty on active duty in the Armed Forces or that existed before the veteran's active duty and was aggravated by service in the line of duty on active duty, and that is either:

- A continuation of a serious injury or illness that was incurred or aggravated when the veteran was a member of the Armed Forces and rendered the service member unable to perform the duties of the service member's office, grade, rank, or rating; or

- A physical or mental condition for which the veteran has received a Department of Veterans Affairs Service-Related Disability Rating (VASRD) of 50 percent or greater. (The rating may be based on multiple conditions).
- A physical or mental condition that substantially impairs the veteran's ability to work because of a disability or disabilities related to military service, or would do so absent treatment; or
- An injury that is the basis for the veteran's enrollment in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

Qualifying Exigency Leave

Additionally, close family members of military personnel (defined as spouse, child, or parent) may take up to twelve (12) weeks of job protection leave, if eligible, if the member of the military's is on covered active duty or called to covered active duty.

For members of the regular Armed Forces, "Covered Active Duty" means duty during deployment of the member with the Armed Forces to a foreign country.

For members of the reserve components of the Armed Forces (members of the National Guard and Reserves), "Covered Active Duty" means duty during deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in support of a contingency operation.

Maintenance of Health Benefits

If you and/or your family participate in a group health plan, the Company will maintain coverage under the plan during your family and medical leave. This coverage will be provided if you or your family were covered under the plan before the leave was taken and on the same terms as if you had continued to work. Where appropriate, you must make arrangements to pay your share of health plan premiums while on leave.

In some instances, the Company may recover premiums it paid to maintain health coverage for an employee and family.

Job Restoration

Upon returning from family and medical leave, you will normally be restored to your original job, or to an equivalent job with equivalent pay, benefits and other employment terms and conditions. In addition, your use of family and medical leave will not result in the loss of any employment benefit that you earned or were entitled to before using family and medical leave.

Notice And Medical Certification

When seeking family and medical leave, you must provide:

1. 30 days advance notice of the need to take family and medical leave, if the need is foreseeable.
2. Medical certifications supporting the need for leave due to a serious health condition affecting you or an immediate family member. Second or third medical opinions and periodic recertifications at the Company's expense may also be required.
3. Such periodic reports as deemed appropriate during the leave regarding your status and intent to return to work.
4. Medical certification of fitness for duty before returning to work, if the leave was due to your serious health condition.

When leave is needed for a planned medical treatment for your own serious health condition or that of an immediate family member, you must try to schedule treatment so that it will not unduly disrupt the Company's operation. Failure to comply with these requirements may result in delay or denial of leave.

Exceeding FMLA Leave

Any employee who exceeds their FMLA entitlement may be subject to termination of employment.

Non-Contractual Nature of this Policy

The duration of leave, availability of benefits, opportunity for job restoration, and other rights and privileges associated with FMLA Leave are limited by the requirements of applicable state and federal

law. No express or implied contractual rights should be inferred from this policy. The Company reserves the right to modify this or any other policy as necessary, in its sole discretion.



HANDBOOK RECEIPT AND ACKNOWLEDGMENT

This handbook has been prepared as a guide for policies, practices, benefits and general information which should assist you during your employment with **TANNEHILL INTERNATIONAL INDUSTRIES, INC., (TII)**. However, neither this handbook, nor any other Company communication or practice, creates a contract for employment.

The Company reserves the right to make changes in content or application of its policies, as it deems appropriate and these changes may be implemented even if they have not been communicated, reprinted, or substituted in this handbook.

It is also understood that nothing in this handbook or any other Company policy or communication changes the fact that employment is *at-will* for an indefinite period unless terminated at any time by either you or **TII**.

I understand that no employee or representative of TII other than the Chairman or Chief Executive Officer has any authority to enter into an employment contract or to change the at-will employment relationship, or to make any agreement contrary to the foregoing.

I also acknowledge receipt of the employee handbook, and that I have read and understand that my continued employment constitutes acceptance of the terms and conditions herein and any changes that may be made in content or application of the handbook in the future.

Employee Signature

Date

Employee Name (printed)

Date