

Laitram®

EMPLOYEE HANDBOOK

for Laitram, L.L.C. and its subsidiaries



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INTRODUCTION

ABOUT THIS HANDBOOK

We hope you will find this Handbook to be a convenient guide to the various policies, benefits, and programs offered by Laitram, L.L.C. and its subsidiaries (“Laitram” or “Company”). We urge you to familiarize yourself with its entire contents.

Please note that this Handbook is only a summary of our policies, benefits and programs. A detailed description of each can be found on the Company’s SharePoint site or can be requested from Human Resources.

The policies outlined in this Handbook supersede any policies previously published by Laitram. All policies are subject to change without notice. For the most up to date description of the Company’s policies, please refer to the Company’s SharePoint site.

This Handbook is not an employment contract. Your employment with the Company is of an “at will” nature. This means that you may resign at any time and that the Company may discharge you at any time, with or without cause, notice, or prior disciplinary action. This employment “at will” relationship may not be changed by any written document or oral statement unless its change is specifically acknowledged in writing by the Company’s Director of Human Resources.

For convenience, the pronoun “he” is used throughout this Handbook to refer to both male and female employees.

COMPANY PROFILE

Laitram, L.L.C. - Laitram is a closely-held, family owned business, originally organized in 1949. The Company, through its five wholly-owned operating subsidiaries, is a vibrant, forward-thinking company with an intense commitment to innovation, integrity, and continuous improvement. The employees of Laitram provide professional shared services to the operating companies, including information technology services, legal, accounting, human resources, safety, and facilities and maintenance.

Laitram Machinery, Inc. - Laitram Machinery has manufactured shrimp processing equipment since 1949, the year J.M. Lapeyre introduced his patented shrimp-peeling machine to the Gulf Coast canning industry. For nearly 70 years, Laitram Machinery has pioneered game changing products such as high-performance shrimp peeling systems, steam cookers, blanchers, pasteurizers and chillers that increase efficiency and yield for processors worldwide. Laitram Machinery is widely recognized as the world leader in automated shrimp processing technology, the result of years of innovation, high product quality, and reliable service.

Intralox, L.L.C. - Intralox was founded in 1971 to manufacture and sell a modular plastic conveyor belting system originally developed to solve the rust and drive problems existing with the wire and rubber belting used on the shrimp processing equipment. Today, Intralox leads the way in helping customers achieve their goals by offering comprehensive conveyance solutions that create significant economic value. Currently the largest of the Laitram operating divisions, Intralox markets its products worldwide through direct salespeople in nearly 30 countries and eight assembly plants located in the United States, The Netherlands, the United Kingdom, Australia, China, Japan, India, and Brazil.

Lapeyre Stair, Inc. - Lapeyre Stair, organized in 1981, manufactures and sells alternating tread space-saving stairs and conventional stairs, as well as assorted platforms and mobile stairs. Whether alternating tread or conventional stair, our stair systems are engineered for simplicity of design and cost effectiveness. Today, more than 40,000 spacesaving Lapeyre stairs are in use around the world.

Laitram Machine Shop, L.L.C. - Laitram Machine Shop provides high-value machining and related services to the Laitram divisions and select outside customers. A focus on quality at the source is supported by current design and machine tool software and state-of-the-art inspection methods and equipment providing seamless execution from design to part realization.

Commercial Food Sanitation, L.L.C. - An Intralox company since 2012, Commercial Food Sanitation and Intralox have worked together to provide unparalleled sanitation and food safety expertise with state-of-the-art conveyance technologies to help plant owners and operators design the safest food processing environments possible. Commercial Food Sanitation is dedicated to delivering the highest levels of sanitation standards, food safety and operational effectiveness through strategic consulting, training and education.

LAITRAM BUSINESS PHILOSOPHY

In order to serve our individual interests, the shareholders and employees agree to combine our resources to make them more productive than they would be apart. This Philosophy is consistent with our individual values. We agree to practice these principles for our mutual benefit.

CUSTOMERS/PROFITS

We provide our customers the most competitive values while generating the profits needed to continuously improve our products and services.

PRODUCTIVITY

We define productivity as increasing customer value or reducing Company costs. We continuously improve Company productivity with ideas, teamwork, and effort.

IDEAS

We listen to each other. We challenge ourselves and each other to think objectively and continuously improve our business through better ideas.

TEAMWORK

We work as a team. We benefit from each other's success. We treat customers, suppliers, and each other as we expect to be treated: with respect, honesty, and fairness.

EFFORT

We work hard to be the best we can be. We serve as positive examples for each other. We take pride in and show enthusiasm for our work. We have fun at work. When necessary, we make short-term personal sacrifices to benefit our long-term interests.

SELF-MANAGEMENT/CREDIBILITY

We are each self-managed. We are responsible for our own credibility. Mutual trust is the foundation for our continued success. Self-managed people are our greatest resource.

COMPENSATION

We agree to be compensated based on individual and Company performance. We will not ask for more, or be asked to accept less, than we have earned. We share in our success based on the value of our individual contributions.

THE LAITRAM CONTINUOUS IMPROVEMENT PROGRAM (LCI)

The Laitram Continuous Improvement Program was developed in 1987 to increase our Company's productivity by improving each individual's performance. This quality improvement program has been designed to address the real problems faced in our business by studying many successful businesses throughout the country. Since the implementation of this program, our Company has seen significant growth in sales volume, number of employees, and profitability, as well as a significant reduction in employee turnover. The components of the program include the following:

1. **The Laitram Business Philosophy** - Our business philosophy is the foundation for all business decisions. It sets values and standards that we expect you to use in your dealings with each other, customers, and suppliers (see page 3).
2. **Performance Improvement Plans** - Every employee will establish a Performance Improvement Plan at the beginning of the fiscal year. This plan is a written agreement between you and your supervisor that includes both measures of performance (called indicants) and clear, measurable goals.
3. **Performance Appraisal and Feedback** - The focus of our evaluation system is to provide clear feedback to every employee to help ensure your success. Each employee has at least two meetings each year to discuss performance.
4. **LCI Teams** - Our LCI Program promotes the use of LCI Teams to continuously improve Company productivity. The advantages of this approach are: 1) real problems get identified; 2) more possible solutions are generated; 3) better decisions are made; and 4) the group better supports the results. Since this effort began, teams have successfully solved hundreds of problems and identified many opportunities for improving our processes.
5. **Management Assessment Survey** - Once each year employees are asked to confidentially evaluate their Manager's performance in practicing our business philosophy, setting goals, helping each individual succeed, etc. The focus of this program is to provide each Supervisor or Manager with confidential, constructive feedback to help ensure their success.

All new employees are trained in the basics of our LCI program in a one-day program. Periodic refresher classes are also held.

If you have questions about any part of our LCI program, please ask your Supervisor, Department Manager, Division General Manager, Human Resources or Jay Lapeyre. Your understanding and support of this program will be a key component in your success at the Company.

EQUAL EMPLOYMENT OPPORTUNITY STATEMENT

The Company fully supports the concept of Equal Employment Opportunity and will continue to do so. It is our policy to provide equal employment opportunities without regard to race, color, age, sex, sexual orientation, gender identity, national origin, religion, disability, genetic predisposition or carrier status, veteran or military status as well as any other legally protected status or classification under applicable federal, state and local laws. This policy will be pursued in hiring, placement, promotion, other status changes, and in all other matters concerning treatment of our employees.

To maintain a sound, competitive position for the Company and to ensure a professional work environment for all employees, each job will be staffed by an individual who is competent and whose experience and employment record demonstrates that the individual is qualified for the job. This is consistent with the Laitram Business Philosophy. We will treat all employees fairly and will provide them the opportunity to progress within the organization to the full extent of the capacity of the employee and the Company.

IMMIGRATION LAW COMPLIANCE

Laitram is committed to employing only United States citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986. Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 for the Company within the past three years or if their previous I-9 is no longer retained or valid.

PERSONNEL RECORDS

It is essential that you keep your personnel records up to date to enable the Company to reach you or a family member in case of an emergency, to properly maintain your insurance and health benefits, and to accurately compute your payroll deductions.

Promptly update your personal record in MyADP with any of the following changes:

- Name
- Address or telephone number(s)
- Marital status
- Beneficiary or dependents listed for insurance and retirement benefits
- Number of dependents for withholding tax purposes
- Person to notify in case of accident or emergency

All files and records maintained by Laitram are the property of Laitram. Such files are confidential and access to them is limited.

PAY PRACTICES

COMPENSATION SYSTEM

The Company's compensation system (how we pay employees) is an innovative one. The goal of our pay system is to create an environment where employees are well paid, have a stake in the Company's success, reduce the possibility of any type of layoff, and protect the Company's long-term financial strength.

Our compensation philosophy is to pay people their approximate market value in base pay and benefits and to give each individual the opportunity to make considerably more by sharing in the Company's profits. Our program focuses on total compensation. Total compensation consists of base pay, incentives (profit incentives, monthly production bonuses, etc.), and fringe benefits.

We all work at the Company to be paid, so understanding our compensation system is extremely important. For more information on our compensation system, contact the Human Resources Department.

PAY PERIODS

The regular pay week runs from Sunday morning at 7:00 a.m. through the following Sunday at 7:00 a.m.

Employees are paid every other Friday, on the Friday following the close of the pay period. For example, checks for the pay period from Sunday, July 1, 7:00 a.m. through Sunday, July 15, 7:00 a.m. would be distributed on Friday, July 20.

If a regularly scheduled payday falls on a holiday, paychecks will be distributed on the day prior to the holiday.

EMPLOYMENT CLASSIFICATIONS

Laitram generally classifies its employees as either full-time or part-time:

Full-Time - Employees regularly scheduled to work a minimum of 40 hours per week. Generally, full-time employees are eligible for all Company benefits, subject to the terms, conditions, and limitations of each benefit program.

Part-Time - Employees regularly scheduled to work from 1 to less than 40 hours per week. Part-time employees are eligible for some benefits sponsored by the Company, subject to the number of hours they work per week and to the terms, conditions, and limitations of each benefit program.

Laitram also classifies its employees as exempt (exempt from overtime pay and minimum wage provisions of FLSA) or non-exempt (must be paid at least the federal minimum wage and overtime when earned) in accordance with the Fair Labor Standards Act ("FLSA"). If you have questions concerning your classification, you should direct them to the Human Resources Department.

Salaried, Non-exempt Employees

If you are classified as a salaried, non-exempt employee, you are paid a weekly salary. You are also paid 1½ times your regular rate of pay for all hours worked in excess of 40 hours in a single workweek. Laitram will determine your regular rate of pay by dividing your bi-weekly salary by your scheduled hours. Salaried, non-exempt employees are required to keep accurate records of all time worked. Actual hours worked should be rounded to the nearest quarter hour.

Exempt Employees

To be classified as an exempt employee, you must satisfy both the salary test and duties test under the FLSA. The salary test limits the deductions that can be made from an exempt employee's pay. Improper deductions will not be made. Deductions are permissible in the following circumstances:

1. Absence from work for one or more full days for personal reasons other than sickness or disability.
2. Absence from work for one or more full days due to sickness or disability if the deduction is made pursuant to a bona fide plan, policy or practice of providing compensation for salary lost due to illness.
3. To offset jury duty pay, witness fees or military pay.
4. For time in which an exempt employee takes unpaid leave under the Family and Medical Leave Act (including intermittent or partial day leave).

In addition, exempt employees, who have exhausted all PTO, are not paid for any workweek in which they perform no work at all for Laitram.

If you believe that your pay has been improperly reduced, you should immediately file a complaint in writing with either your Supervisor or the Human Resources Department in accordance with the "Errors" policy, below. If it is determined that an improper deduction was made, you will be promptly reimbursed and Laitram will take all necessary steps to ensure that such improper deductions do not continue to be made.

OVERTIME

Overtime work is sometimes required due to job schedules, work flow, or emergency situations. All employees who are needed in an overtime situation are expected to work in accordance with the Laitram Business Philosophy. Refusal to work overtime when requested by your Supervisor may result in disciplinary action, up to and including termination.

The Company complies with all regulations regarding the payment of overtime wages to all employees covered under the Fair Labor Standards Act. A non-exempt employee, including a salaried, non-exempt employee, is paid one and one-half (1½) his normal pay rate for hours worked in excess of forty (40) hours in a workweek.

When computing overtime rates, Paid Time Off ("PTO") is not regarded as time worked. Holidays are included as time worked in calculating overtime eligibility for all non-exempt employees. (Note: In some departments, in order to be eligible for holiday pay, you must work the day before and the day after the holiday, unless you have an authorized absence.)

In an effort to provide stable employment for our employees, overtime is often used during peak periods rather than hiring new employees. During normal work periods, however, it is our policy to minimize the use of overtime whenever possible. All overtime work must be approved in advance by your Supervisor.

ERRORS

Errors in pay and improper deductions must be reported either to your Supervisor or the Payroll Department as soon as possible following the receipt of your paycheck. In most cases, adjustments will be made on the following paycheck.

SHIFT DIFFERENTIAL

Laitram pays a shift differential to designated job classifications for working night shifts. If you have questions concerning specific shift differentials, ask your Supervisor.

WORKPLACE GUIDELINES

ATTENDANCE AND PUNCTUALITY

Every position in our Company is an important one. Our work teams and departments are formed to give us maximum efficiency and productivity, and our production schedule is based on every employee being on the job, on time, every day.

Personal illness, a medical necessity in an employee's immediate family, or a personal emergency are the only acceptable reasons for missing without advance permission from your Supervisor. If one of these situations does occur, you are required, before your scheduled starting time, to notify your Department Manager, Supervisor, or the person designated by your Manager or Supervisor to receive such messages, that you will not be able to report for work. Absence without proper notification is a serious offense that can result in disciplinary action up to and including termination. If you know you will be late reporting for work, call your Supervisor as soon as possible. An estimated time of arrival should be given at the time of notification. Repeated tardiness will result in disciplinary action and a lack of improvement thereafter may result in termination.

Employees must familiarize themselves with the Time and Attendance Policy applicable to their particular department. Absences, late arrivals and early departures covered by an employee's use of approved family or medical leave under the Family and Medical Leave Act ("FMLA") are not considered grounds for disciplinary action. For more information regarding the FMLA, refer to the FMLA policy in this Handbook.

Any questions regarding attendance policies should be referred to your Supervisor or Department Manager.

JOB ABANDONMENT

An employee who fails to report for work for three consecutive days without properly notifying his Supervisor is presumed to have abandoned his job. The Company will designate an employee's job abandonment as a voluntary resignation from the Company.

WORKPLACE DISCRIMINATION, HARASSMENT AND RETALIATION

It is the policy of Laitram, L.L.C. and its subsidiary companies, including, but not limited to, Intralox, L.L.C., Lapeyre Stair, Inc.; Laitram Machine Shop, L.L.C.; Laitram Machinery, Inc.; Industrial Microwave Systems, L.L.C.; and Commercial Food Sanitation, L.L.C. (hereinafter collectively "Laitram"), to provide our applicants and employees with a positive and cooperative work environment, free of discrimination, harassment and retaliation. Discrimination, harassment or retaliation of any kind by anyone, including any supervisor, manager, coworker, vendor, contractor, customer, or other visitor of the company, directed at an applicant, employee, vendor, contractor, customer, or other visitor of the Company, is improper and will not be tolerated.

Discrimination

Discrimination against any individual in any aspect of his employment, such as hiring, discharge, compensation or any other terms, conditions or privileges of employment, because of the individual's race, color, gender, sexual orientation, gender identity, age, religion, national origin, citizenship, disability, pregnancy, military or veteran status, or status or classification under applicable federal, state or local law is illegal and will not be tolerated at Laitram.

Sexual Harassment

Sexual harassment is specifically prohibited by this policy. Unwelcome sexual advances, requests for sexual favors, and other physical, verbal or visual conduct based on sex constitute sexual harassment when:

1. Submission to the conduct is an explicit or implicit term or condition of employment,
2. Submission to or rejection of the conduct is used as the basis for an employment decision, or
3. The conduct unreasonably interferes with an employee's work performance or creates an intimidating, hostile, or offensive working environment.

Examples of sexual harassment in violation of this policy may include, but are not limited to, the following:

- * Unwelcome sexual advances - whether they involve physical touching or not;
- * Sexual references, jokes, written or oral references to sexual conduct, comments on an individual's body, comments about an individual's sexual activity, deficiencies, or prowess;
- * Displaying sexually suggestive objects, pictures, or cartoons, including via email or internet;
- * Unwelcome leering, whistling, brushing against the body, sexual gestures, or suggestive or insulting comments;
- * Inquiries into one's sexual experiences; and
- * Discussion of one's sexual activities.

Other unwelcome conduct directed at an individual because of his or her gender may also be deemed to be sexual harassment.

Although the intent of the person engaging in the conduct may be harmless or even friendly, it is the welcomeness of the conduct by the recipient of the conduct, not the intent of the person engaging in the conduct that is relevant to whether the conduct is harassment. Unwelcomeness of sexual conduct may not always be apparent. "Putting up with" or submission to sexual conduct does not necessarily mean the conduct is welcome.

Sexual harassment may occur even in relationships involving mutual consent. The potential for sexual harassment exists where there is a professional power differential (supervisor/employee). Persons involved in such relationships should be aware of the possibility of perceived coercion.

The Company also views any type of romantic or sexual relationship between you and your Supervisor, or anyone in your chain of command, to be a clear violation of our Business

Philosophy. Both parties involved in the relationship would be violating our Business Philosophy with respect to credibility, fairness, and example setting. If a relationship of this type exists, you must immediately contact the Director of Human Resources or Jay Lapeyre. Failure to do so may result in possible disciplinary action, up to and including termination.

Harassment Based on Other Protected Categories

Harassment based on the race, color, age, religion, national origin, sexual orientation, gender identity, citizenship, disability, or military/veteran status of an applicant or employee is also prohibited at Laitram. As with sexual harassment, harassment based on any of these categories may include physical, verbal or nonverbal conduct.

Examples of actions that may constitute harassment in violation of this policy include racial or ethnic epithets, slurs, jokes or negative stereotyping. Taunting or displaying written materials or communications demonstrating hostility toward a person because of his race, color, age, religion, national origin, citizenship, disability, or veteran status are other examples of prohibited conduct.

While all unwelcome conduct of a discriminatory nature may not rise to the level of constituting illegal harassment, Laitram policy seeks to prevent all such conduct. For example, while one racial joke may not constitute illegal racial harassment, it is prohibited. Laitram's policy seeks to prevent all discriminatory conduct against members of the campus community based on race, color, gender, age, religion, national origin, citizenship, disability, or veteran status.

Retaliation

The Company will not condone, authorize, or tolerate any kind of retaliation against any applicant or employee who has:

1. Made a good faith report of conduct that he believes may constitute harassment, discrimination or retaliation in violation of this policy,
2. Opposed any prohibited discriminatory practice, or
3. Participated in any manner in an investigation or other proceeding about a prohibited practice.

Complaints made in good faith will in no way be held against an applicant or employee.

Employment decisions about an applicant or employee who has reported possible harassment, discrimination or retaliation should not be based on the fact that the person has submitted a complaint. Employment decisions should be based only on legitimate business considerations such as performance. Discriminatory verbal, nonverbal or physical conduct should not be directed at any applicant or employee because of any protected activity.

Violations and Sanctions

Employees who violate this policy will be subject to disciplinary action, up to and including termination.

DISCRIMINATION, HARASSMENT AND RETALIATION COMPLAINT PROCEDURE

In order to take appropriate, corrective action, the Company must be advised of harassment, discrimination or retaliation. All Company employees are required to help ensure that we maintain a workplace free of harassment, discrimination, and retaliation.

If, as an employee of Laitram, you have been subjected to any type of harassment, discrimination or retaliation, you have an obligation to immediately report that conduct in writing, or verbally if necessary, regardless of whether the conduct involves other employees, customers, vendors, or others in the work environment, to one of the following individuals:

- * your Division General Manager,
- * the Director of Human Resources, or
- * Jay Lapeyre.

If you do not receive a prompt response to your complaint, please advise Jay Lapeyre in writing immediately.

Additionally, each employee has a duty to report conduct that he or she believes may constitute discrimination, harassment or retaliation. Remember, unless you report instances of discrimination, harassment or retaliation, the Company will not know that management intervention is necessary.

The Company's policy is to investigate all complaints thoroughly and promptly. To the extent practicable, the Company will keep complaints confidential. If an investigation confirms the harassment, discrimination, or retaliation has occurred, the Company will take appropriate corrective action, up to and including termination.

Because of the seriousness with which the Company views sexual harassment, discrimination, and retaliation and because of the severity of the penalties that may be imposed on offenders, false accusations will not be tolerated. However, this statement is not intended to discourage employees from coming forward with any good faith complaints. The Company recognizes and expects that some claims may be difficult to prove or support, or may not in fact be found to rise to the level of seriousness deemed necessary to constitute sexual harassment, discrimination, or retaliation in violation of this policy. However, anyone found to have purposefully and intentionally brought allegations that he or she knows to be untrue will be deemed to have made false accusations and will be subject to immediate disciplinary action, up to and including termination.

AMERICANS WITH DISABILITIES ACT POLICY

Laitram is committed to nondiscrimination and employment of qualified individuals with physical and mental disabilities in accordance with the Americans with Disabilities Act (ADA) and other applicable federal, state and local laws. Employees should make accommodation requests directly to the Human Resources Department. It is your responsibility to request an accommodation. Laitram may require written documentation from your health care provider with knowledge of your limitations.

DRUG AND ALCOHOL POLICY

The success of the Company depends on the physical and psychological health of all employees. The abuse of drugs and alcohol poses a threat to the company, its employees, and the general public. Commonly abused or improperly used drugs and substances include, among others, alcohol, pain killers, sedatives, stimulants, and tranquilizers, as well as marijuana, cocaine, heroin and other illegal drugs. It is the responsibility of both the Company and its employees to maintain a safe, healthful, and efficient working environment. For that purpose, we have adopted the following non-exclusive guidelines:

1. The possession, use, sale, or solicitation of unauthorized or illegal drugs, or the misuse of legal drugs on Company premises, while on Company business, while attending a Company function, or when operating a Company vehicle is prohibited and is cause for disciplinary action, including termination.
2. Any employee under the influence of illegal drugs or alcohol or misusing legal drugs, on Company premises, while on Company business, or when driving a Company vehicle will be subject to discipline, including termination.
3. Any employee taking prescription or nonprescription medication is required to report such use to his Supervisor, before commencing work, if such use adversely affects his judgment, performance or behavior, or otherwise adversely affects his ability to safely perform his duties.
4. Any employee taking prescription or medication that has published side effects regarding drowsiness, the operation of machinery and/or the operation of motor vehicles is required to advise his Supervisor before commencing work. The reporting procedures outlined in this provision and the previous provision will enable the Company to determine if it is necessary to temporarily change an employee's assignment while they are on such prescribed drugs or medications so as to insure the safety of the employee and the safety of other employees. NOTE: All such medical information will be kept confidential in accordance with applicable law.
5. This policy also expressly prohibits the possession of any drug paraphernalia.
6. Employees convicted of illegal drug activity must notify the company within 5 days of conviction.

The Company will utilize such procedures as it finds necessary to effectively enforce this policy including, but not limited to, the following:

- Pre-employment Drug Testing. Each applicant for employment will be required as a condition of employment to undergo a urine drug screen. An applicant will be ineligible for employment in the event of a positive test result.

- **Post-Accident Drug/Alcohol Test.** Any employee injured in an accident, involved in or causing an accident, involved in or causing a serious “near miss”, or involved in or causing damage to Company property may be required to pass a Drug/Alcohol Test.
- **Reasonable Suspicion Testing.** Each employee is subject to drug and/or alcohol testing if there is reasonable suspicion to believe that the employee is in violation of this policy.

Laitram may also conduct workplace searches when necessary to enforce this policy. Refer to the “Workplace Searches” policy below for additional information. Compliance with this policy is mandatory. Refusal by an employee to submit to testing is cause for disciplinary action, including termination.

All drug tests are conducted in accordance with applicable law and every effort is made to maintain the confidentiality of drug and alcohol test results.

The Company maintains an Employee Assistance Program (EAP). We strongly urge you to use the program for help with alcohol or drug problems. No employee with alcohol or drug dependency will be disciplined or terminated due to a request for help in overcoming that dependency or because of involvement in a rehabilitation effort. If, however, an employee violates provisions of this policy, disciplinary action cannot be avoided by a request at that time for treatment or rehabilitation. It is each employee’s responsibility to seek assistance from the EAP before the problem affects judgment, performance, or behavior.

WORKPLACE SEARCHES

The Company reserves the right to conduct searches, with or without notice, when there is reasonable cause to believe a search will uncover evidence of work-related misconduct and/or violations of the Company’s policies and procedures such as the Company’s Drug and Alcohol Policy. The Company may search Company property, including, but not limited to, offices, lockers, desks, file cabinets, computer files and data banks, e-mail boxes, and company vehicles. The Company also reserves the right to search tool boxes, owned by the employee but used in the workplace, when there is reasonable cause to believe a search will uncover evidence of work-related misconduct and/or violations of the Company’s policies and procedures.

Any employee who refuses to cooperate with a Company search may be subject to disciplinary action, up to and including termination. Any illegal or unauthorized items discovered by the Company may be retained in the Company’s custody and also turned over to law enforcement officials where appropriate.

Searches in the workplace, including accessing an employee’s desk, file cabinets, or work area to obtain information needed for usual business purposes, may also occur when an employee is unavailable. Therefore, employees are hereby notified that they have no legitimate expectation of privacy in their desks, filing cabinets, computers or work areas.

If you have any questions regarding the Company’s search policy, please contact the Director of Human Resources.

PROTECTING TRADE SECRETS

The Company’s success is in part the result of having developed special ways of designing, making, and selling our products. Such special methods ensure lower production costs while

improving product quality and making our products more valuable to customers. By improving our competitive position, they help maintain, protect, and create jobs.

What we do in connection with designing, making, and selling our products that our competitors do not know is called “confidential and proprietary information.” Public disclosure could damage our business and threaten our jobs. The Company has developed the following policy to protect such confidential and proprietary information and guard against disclosure:

Never discuss engineering, manufacturing, sales or financial aspects of our Company with anyone outside the Company except when needed for legitimate Company business. Also, use reasonable care in talking about Company business with fellow employees in any public place. Confidential and Proprietary information can be unintentionally “leaked” in such situations.

Should you leave our Company for any reason, the obligation not to disclose confidential and proprietary information continues. This is a legal obligation that our Company views seriously, since the confidentiality of what we know about making our products is one of our most valuable assets.

All employees will be required to sign an “Employee Copyright, Trademark, Patent and Confidential Information Agreement” as a condition of employment.

COMPUTER, E-MAIL AND PHONE SYSTEMS POLICY

1. **General Information** - The Company’s computer systems, which consist of all hardware, software, data and related items, are considered at all times property of the Company. The Company reserves the right to review, access, and copy any information in the computer systems as required for business operations and/or as granted by legal authority. Accordingly, no user of the Company’s computer systems should expect that the computer systems are private. Excessive use of these computer systems for personal needs is not permitted. Installation of software or hardware for non-Company business purposes is not permitted. The Company’s Information and Technology Services (“ITS”) department should be consulted prior to the installation of any software and hardware.
2. **Abuse of Company Systems** - Each employee has made a commitment to be self-managed, and we expect each other to live up to that commitment. Misuse of Company time is considered a violation of the Company’s Business Philosophy and a threat to the Company’s culture. Please note that any of the following will be reason for disciplinary action, including termination of employment:
 - a. Spending significant amounts of Company time to send or receive personal emails, access non-business Internet sites, or conduct personal phone calls. The test should be, “Would I be comfortable if management knew how much time I was spending each day on these activities?” No one should have concerns about passing this test, and we should each be comfortable that we’ve more than made up for personal time taken.
 - b. Slowing down our computer systems by storing non-business related graphics, etc. Our computer systems are for business use. Our system speed and capacity should not be reduced by storage of non-business related information.

Reducing our productivity is a serious issue. We will take the steps necessary to ensure that the personal use of our telephone and computer systems is appropriate. This includes using software to identify possible abuses, and, compliance with this policy.

3. **Electronic Mail**

- a. The use of the electronic mail system is to conduct Company business. All messages composed, sent, or received on the electronic mail system are and remain the property of the Company. They are not the private property of any individual.
- b. No one may use the Company's electronic mail system in any way that may be seen as insulting, disruptive, offensive by other persons or harmful to morale or violative of the Company's policy on workplace sexual harassment, discrimination and retaliation. Before sending an email or forwarding a joke, etc., you should ask, "Would I be uncomfortable if my Supervisor or Manager knew that I sent this?" If yes, don't send it. If you receive inappropriate material, you should delete it and ask the sender not to forward similar material in the future. Examples of forbidden transmissions include sexually explicit messages, cartoons, or jokes; ethnic or racial slurs; or any other message that can be construed to be harassment or disparagement of others based upon their sex, race, color, age, national origin, religious beliefs, disability and/or any other legally protected status. Use of the Company's electronic mail system in violation of this guideline may result in disciplinary action, up to and including termination.
- c. In no event may any individual use the electronic mail system for solicitation purposes, religious or personal causes, outside organizations, or other similar, non-job-related solicitations. Violations of this guideline may result in disciplinary action, up to and including termination.
- d. The electronic mail system shall not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or similar materials without prior authorization from the Company.
- e. Internet access is available to all employees using the Company E-mail system. The intended purpose of this Internet access is for business purposes. Personal use should be kept to a minimum.
- f. The Company reserves the right to review, audit, intercept, access and disclose all messages created, received, or sent over the electronic mail system for any purpose. Therefore, you should not assume that messages are confidential. Because your personal messages can be accessed by the Company without prior notice, you should not use electronic mail to transmit any messages you would not want read by a third party. No user of the electronic mail system should expect messages to be private.
- g. Employees should not attempt to gain access to another employee's messages without their permission.

- h. In order to provide adequate storage to all users, you should delete any messages that are no longer useful. The retention of messages or documents transmitted through electronic mail will be determined by the Company's Records Retention Policy.

4. **Internet Access**

- a. Employees are allowed limited and occasional access to the Internet for personal use during personal time. This would include time before work hours, lunch time, after work hours, weekends, etc. The Company Internet connection has a certain capacity, or bandwidth, that allows a specific amount of data on the Internet connection at any given time. The capacity of the connection can become overloaded at times, causing business-related uses such as Web Conferences and Internet transfer of large files to be slowed or interrupted. Therefore, on workdays from 7:00 AM to 6:00 PM, you should not access any personal sites that require large files (for example, Internet radio) and contribute to the overloading of the Company's Internet connection.
- b. To minimize the risk of contamination from computer viruses/worms to our system from other sites, you must not access through your Company Internet connection any personal e-mail system from your home computer (such as yahoo.com, cox.net, etc.) or download from personal sites onto your Company computer any executable files, screen savers, pictures, music, or movies.
- c. You should not access Internet sites from a Company computer or through a Company's Internet connection that are obscene, sexually graphic, or otherwise offensive. Violations of this guideline may result in disciplinary action, up to and including termination.

Allowing employees to access the Internet for personal use or viewing is a privilege provided by the Company that can be revoked at any time if widespread abuse occurs. The Company monitors Internet usage for violations of this policy.

- 5. **Safeguarding Your Computer Monitor** - It is your responsibility to protect the contents of your screen (monitor) in much the same way you would protect memos, contracts, letters, etc., from being viewed by other persons. When you are away from your work area for more than a few minutes, please exit whatever program you are in or, at a minimum, close any open documents that you may be working on.
- 6. **Security** - The Company places emphasis on computer security to protect its programs and data files from damage or access to data from unauthorized persons. To secure and maintain the environment, the company utilizes a variety of internal and third-party tools to monitor and evaluate computer files and activity for information security threats. This includes, but is not limited to, examination of email traffic, web browsing activity, data files and computer program execution.
 - a. Do not give other persons your password(s) and do not share network I.D.s unless you are specifically instructed to do so. No person at the Company can see or discover your password(s) without your involvement.

- b. Do not attempt to bypass system security or to use Company computers to subvert or break into other computer systems. Use of the Company computer systems in violation of this guideline may result in disciplinary action, up to and including termination.
 - c. Personnel who are assigned laptop computers should take care to prevent theft of equipment.
 - d. If Company computer equipment needs to be taken home to complete work, you must first obtain approval from your Supervisor in writing.
7. **Software Piracy** - It is illegal to copy software in most situations. Do not remove software from the Company or from any Company computer system, or copy software and take it home to use, without first verifying from your Supervisor that this is permitted under the appropriate software license. Do not load a copy of a software product on a Company computer without the knowledge of the Company, whether or not it is properly in your possession. The Company makes every effort to honor the software licensing agreements for software products used in its business. If you are aware of a situation in which an employee or representative is not complying with a software licensing agreement or if you are uncertain concerning the use of a software license, please consult your Supervisor.
8. **Computer Viruses** - Computer viruses can do tremendous damage to computer systems. The Company has taken precautions to protect all of its computer systems from the threat of “infection,” but it is impossible to provide complete protection. Do not install software onto your computer, a network or any Company computer system without consulting the ITS Department. Do not remove, try to defeat or turn off any “anti-virus” software on your workstation.
9. **Unauthorized Use** - The Company’s computer systems are explicitly intended to execute the Company’s business functions. Individuals or outside systems must be specifically granted access to the Company’s computer system, through the issuance of a system ID and password by the ITS Department, prior to utilizing the Company’s computer system. It is prohibited to use any Company computer or telephone system to cause theft or electronic damage to any computer system through the use of malicious software such as viruses, Trojan horses, network attacks, denial of service attacks, etc. The Company will cooperate fully with appropriate Law Enforcement authorities to investigate and prosecute such activities.

SAFETY

The Company recognizes the importance of environmental health and safety (EHS). We manage our operations to prevent injury to employees, the residents of our community, and all visitors to our facilities. To that end, we have developed an EHS management system that strives to provide a place of employment free from recognized hazards that are likely to cause physical harm.

EHS are responsibilities that must be shared equally and without exception by each individual within the Company. All employees are expected to participate in the EHS Management System and to conduct their daily tasks in a manner consistent with its objectives and requirements. Copies of the management system and the employee safety and health handbook can be found on each of the respective division's EHS SharePoint site. The handbook is also provided to new employees during their orientation.

WORKPLACE VIOLENCE

Laitram does not tolerate acts of workplace violence committed by or against employees, customers, vendors, contractors, and other visitors. Prohibited conduct includes, but is not limited to, the following:

- Injuring or threatening to injure another person physically.
- Damaging or threatening to damage another's property.
- Possessing, brandishing, using or selling a weapon while on Company premises or engaged in Company business. Weapons are defined as firearms, knives, explosive materials and any other object that could be used to harass, intimidate or injure another individual. Although an employee may keep a firearm they lawfully possess in their vehicle parked in the Company's parking lot, the vehicle must be kept locked at all times and the firearm must be hidden from plain view of others or kept within a locked case or container within the vehicle.
- Any other violent, threatening, harassing, intimidating or disruptive behavior.

All individuals who violate this policy will be subject to discipline, criminal penalties or both. Talking or joking about violence will not be tolerated and will constitute a violation of this policy.

You are required to report to the Director of Human Resources any behavior which violates this policy and which compromises Laitram's ability to maintain a safe work environment.

SOLICITATION AND DISTRIBUTION

Laitram has adopted the following policies regarding solicitation and distribution:

1. Non-employees are strictly prohibited from entering Company property for the purpose of soliciting employees for any cause or distributing to employees any written or printed literature or materials of any kind.
2. Employees may not solicit other employees for any cause while either the employee doing the soliciting or the employee being solicited is on working time. "Working time" does not include coffee breaks or meal breaks.
3. Employees are not permitted to actively sell or display raffle tickets, goods, or services on Company property. Goods or services being sold for non-profit groups may be made available to other employees by posting a notice on the bulletin board or by posting a small display in a Company lunchroom (for instance, a box of candy bars for a school could be placed on the counter with an envelope for money). The Company will not be responsible for the loss of any goods or money.
4. Employees may only post materials on the bulletin boards after receiving permission from their Supervisor or Human Resources. Employees should not remove any postings without permission.
5. Any posters, flyers, etc. that deal with discounts for Company employees, etc. must be submitted to and communicated by Human Resources. The Company does not endorse outside services or discounts of any kind, but we may let employees know of certain discounts or programs. Just because a flyer claims a "Laitram discount," it in no way means it is the best price available or that the Company supports or promotes the vendor or service.

Observance of this policy is essential to the orderly performance of daily work, cleanliness of the premises, security and the overall successful operation of the Company.

PHOTOGRAPHIC AND AUDIO RECORDING DEVICES IN THE WORKPLACE

The Company prohibits employee and visitor use of cameras or other video or audio recording devices in the workplace to ensure employee privacy and the protection of Company trade secrets, and other business information. Employees and visitors are prohibited from using cameras or other video or audio recording devices on campus including work areas, break areas, restrooms, parking lots, and private offices, unless specific advance written authorization has been obtained from his Supervisor or Department Manager. This policy prohibits the use of the photographic feature or video and audio recording feature found in cellular phones. Violations of this policy may lead to disciplinary action, up to and including termination.

Written authorization may be granted by the Department Manager when a specific business purpose will be served by the use of such a device and when its use will not violate employee privacy. Employees with questions about this policy should contact their Supervisor or Human Resources.

ASSET MANAGEMENT POLICY

The Company has the sole right and authority to regulate the use of and disposal of all Company owned assets, including but not limited to, usable assets, scrap metal, salvageable materials, and surplus materials. Employees or visitors are not permitted to take or remove any Company owned assets, including assets disposed of by the Company in Company trash receptacles, dumpsters or recycling bins, from Company property. Violations of this policy will lead to

disciplinary action up to and including termination.

SMOKING

It is the Company's policy to provide a safe and healthy work environment, including the opportunity to work in a smoke-free and tobacco-free setting. Our specific smoking policy may vary from building to building based on safety issues and other considerations. However, throughout the Company the following standards apply:

- Smoking, vaping, or the use of tobacco products are allowed only in designated smoking areas across campus.
- Smoking, vaping, or the use of tobacco products are not allowed in conference rooms, bathrooms, and other public areas.
- Smoking, vaping, or the use of tobacco products are not allowed in any office areas or private offices.
- We will make an effort, when requested, to allow non-smokers to work in a smoke-free and tobacco-free environment; however, such efforts will be controlled by business circumstances.

Although the Company does not intend to force employees to stop smoking, we do support employee efforts to do so. The Laitram Health & Wellness Center offers a free smoking and tobacco cessation program for employees. For more information, contact the Laitram Health & Wellness Center.

GIFT/ENTERTAINMENT POLICY

To avoid the perception of a conflict or inappropriate influence in our business decisions, the Company has a policy against accepting gifts in any form from suppliers, customers, etc.

As a general rule, any gift valued in excess of \$25.00 should not be accepted, unless it is directly related to our business. Exceptions to this policy should only occur with the knowledge of the immediate Supervisor or Manager.

An employee receiving business gifts, services, or entertainment valued in excess of \$25.00 must either:

- Return the gift or not accept the invitation, or
- Notify his immediate Supervisor or Manager of the intention to accept the gift and give the reason for the exception.

This policy is not intended to cover all possible situations, but rather to serve as a guideline. Each person must use his judgment in handling smaller and/or multiple gifts. If in doubt, consult with your Supervisor, Manager, or the Director of Human Resources.

TRAVEL

American Express Concur is the Company's exclusive travel agency. Please see the Travel site on the Company Intranet for more information on the Company's travel program.

WORKPLACE INJURIES AND WORKERS' COMPENSATION INSURANCE

Workers' compensation insurance provides medical, rehabilitation and wage-replacement benefits to employees who suffer a work-related injury or illness. Workers' compensation benefits may be denied if your injury is due to your use of drugs or alcohol. You must notify your supervisor immediately if you are injured at work or become ill because of what you believe is a work-related incident.

Workers' compensation wage payments generally consist of a portion of your average weekly wage, subject to a maximum weekly amount. If you have accrued PTO, you may supplement your workers' compensation wage payment in an amount equal to the difference between the workers' compensation wage payment and your regular earnings. Absences due to work-related injuries will also be counted against leave available to you under the Family and Medical Leave Act.

Laitram works with its workers' compensation insurer to investigate any suspected fraudulent workers' compensation claims. Laitram seeks the prosecution of employees filing fraudulent claims or engaging in other workers' compensation fraud.

STANDARDS OF CONDUCT AND DISCIPLINARY ACTION

Our Company has no wish to enforce harsh or unreasonable disciplinary measures, but we believe discipline is necessary in any well-managed organization. Any disciplinary action is taken only as a corrective measure. In every case, the employee will be given an opportunity to state his case and discuss his point of view.

The disciplinary policy contained in this Handbook is a general overview of the disciplinary process. Many departments have their own policies. Employees must familiarize themselves with the disciplinary policy applicable to their particular department.

Corrective action at the Company is generally, but not always, progressive; that is, the action taken in response to a rule infraction or violation of standards typically follows a pattern increasing in seriousness until the infraction or violation is corrected.

The usual sequence of corrective action may include the following:

1. **Verbal Warning:** Counseling with an employee about an infraction or poor work performance. Verbal warnings are reduced to writing.
2. **Written Warning:** Issuance of a written warning signed by the employee for specific behavior or performance.
3. **Final Warning:** Counseling by a Supervisor, warning of possible discharge. This written warning may or may not be accompanied by a disciplinary probationary period and/or suspension.
4. **Discharge:** The disciplinary action of terminating employment with the Company.

In deciding which corrective action is appropriate, a Supervisor may consider the seriousness of the infraction, the circumstances surrounding the matter, and the employee's previous record. This means that a Supervisor may not follow the sequence of corrective action noted above and may immediately apply whatever corrective action is warranted by the facts of the situation including, but not limited to, discharge.

The following are examples of infractions that may result in progressive disciplinary action, up to and including immediate termination:

- Poor sanitary or housekeeping practices in work areas or any facilities provided for employees by the Company.
- Wasting time or loitering during work time.
- Quitting work, washing up, or going to the time clock area before the specified time.
- Repeated or excessive tardiness or absenteeism.
- Failing to stay alert or awake during work time.
- Smoking in a non-smoking area.
- Failing to work overtime when requested by your Supervisor.
- Failing to wear required personal safety equipment (safety shoes, safety glasses, etc.)
- Disregarding safety rules (horseplay, unsafe use of machinery, etc.)
- Absence without notifying your Supervisor.
- Leaving your job or Company premises without notifying your Supervisor.
- Failure to report any work-related injury or unsafe working condition to your Supervisor.

Though mindful of a progressive approach to corrective action where appropriate, the Company considers certain rule infractions and violations of standards as grounds for immediate suspension and/or termination of employment. These include, but are not limited to, the following:

- Making false statements or providing false information on Company documents, including, but not limited to, employment applications, immigration status forms, insurance information, injury reports, time cards or expense reports.
- Violation of the Company's Drug and Alcohol Policy.
- Threatening, intimidating, or physically assaulting another employee or visitor.
- Damaging, defacing, or mishandling of Company property or equipment or the property of another employee.
- Punching another employee's time card (an official Company record) or permitting another employee to punch your time card.
- Taking or misappropriating property of another employee or of the Company without authorization or permission of the property owner.
- Possessing a weapon or firearm on Company property or at Company functions.
- Disregarding safe work rules, resulting in possible severe injury to yourself or others.
- Failing to stay awake or alert while operating any type of machinery or vehicle.
- Insubordination or refusing to follow instructions of your Supervisor, or refusing to accept a job assignment.
- Disclosing proprietary information (trade secrets).
- Violation of the Laitram Business Philosophy.
- Violation of the Harassment, Discrimination and Retaliation Policy.
- Violation of the Company's Computer, Email and Phone System Policy.

This information contained in this Policy is not intended to list every possible rule infraction or violation of standards that may result in disciplinary action. Other rule infractions or violations of standards will be reviewed carefully and handled in a fair and consistent manner.

BENEFITS

Laitram provides a benefits package that represents a significant portion of each employee's total compensation. The cost of some benefits is paid wholly by Laitram while employees share in the cost of others.

BENEFITS ELIGIBILITY SUMMARY

CATEGORY I - Employees working 1-20 hours per week

Eligible For:

1. 401(k) Plan
2. Employee Assistance Program (EAP)
3. Health & Wellness Center (certain locations)
4. Fitness & Nutrition Center (certain locations)
5. Referral Bonus Program

CATEGORY II - Employees working 21-29 hours per week

Eligible For:

1. Paid holidays on scheduled workdays*
2. Paid Time Off ("PTO")
3. 401(k) Plan
4. Bereavement Leave*
5. Jury Duty*
6. Employee Assistance Program (EAP)
7. Health & Wellness Center (certain locations)
8. Fitness & Nutrition Center (certain locations)
9. Referral Bonus Program

CATEGORY III - Employees working 30 or more hours per week

Eligible For:

1. Paid holidays on scheduled workdays*
2. Paid Time Off ("PTO")
3. 401(k) Plan
4. Maternity & Parental Leave
5. Bereavement Leave*
6. Jury Duty*
7. Medical, Dental, Life & Long-Term Care Insurance
8. Short-Term & Long-Term Disability Benefits
9. Employee Assistance Program (EAP)
10. Tuition Reimbursement
11. Flexible Spending Accounts
12. Health & Wellness Center (certain locations)
13. Fitness & Nutrition Center (certain locations)
14. Referral Bonus Program

* For the number of hours regularly worked on a scheduled workday.

Contract workers, independent contractors, temporary workers and leased workers are not eligible for benefits. Laitram reserves the right to terminate, amend or otherwise modify the benefit programs it offers.

A brief overview of some benefits offered by Laitram is provided below. If there is any inconsistency between the information provided in this Handbook and the provisions of the plan document or insurance contract, the plan document or insurance contract will control.

HEALTH CARE AND DENTAL CARE (MEDICAL BENEFITS)

The Company provides comprehensive health and dental coverage for eligible employees and family members. Coverage, if elected, is effective on the employee's 61st day of employment. The Company pays a significant portion of the premium for this coverage, with the employee sharing in the cost.

Information regarding the medical and the dental plans, as well as information about how to enroll with MyADP on-line, are provided to all new employees at the time of new employee orientation. Should you desire to enroll in either the medical or dental plans, you must do so prior to your 30th day of employment by completing the MyADP on-line enrollment process. All verification documentation (e.g. birth certificates, marriage certificates, etc.) must also be submitted prior to your 30th day of employment. If you fail to enroll or provide documentation, you will not be eligible to enroll in either plan until the next open enrollment period, which usually occurs in November of each year with an effective date of January 1 of the following year. The only exceptions to this are when life events occur (such as the birth of a child).

HEALTH INSURANCE BENEFITS CONTINUATION (COBRA)

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Laitram's medical and dental plans when a "qualifying event" would otherwise result in the loss of insurance coverage. Common qualifying events are resignation, termination of employment, death of an employee, and reduction in employees' hours or leave of absence. Other qualifying events include an employee's divorce or legal separation and a dependent child no longer meeting eligibility requirements. The employee or the employee's qualified beneficiary is required to notify Laitram within 60 days of a divorce or legal separation or the date on which the employee's child ceases to be a dependent under our medical and dental plans.

Under COBRA, the employee or beneficiary pays the full cost of the insurance coverage at Laitram's group rates. If and when you become eligible for continued coverage under COBRA, you will receive additional information.

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY (HIPAA)

Laitram complies with the Health Insurance Portability and Accountability Act of 1996, as amended (HIPAA), as required.

SHORT TERM DISABILITY

Eligible employees with at least 60 calendar days of active service can apply for Short Term Disability (“STD”) if they experience an injury or illness that requires an extended leave of absence (longer than 10 calendar days). STD is offered to employees at no cost and pays 100% of their base pay via bi-weekly payroll payments.

An STD application, signed by the employee and treating physician, is required to apply for this benefit and must be submitted timely to Laitram’s third party administrator (TPA) :

- Leave is not foreseeable: Absent extenuating circumstances, an employee must submit a completed STD application to the TPA within 15 calendar days of the commencement of leave.
- Leave is foreseeable: An employee must submit a completed STD application to the TPA prior to the commencement of the leave.

Failure to submit a timely STD application may result in the delay or denial of STD benefits. Interested employees may review The Laitram Short Term Disability Plan on the Human Resources SharePoint site or contact Human Resources.

Qualification for this benefit is not automatic and the employee’s treating physician’s opinion/recommendation is not solely determinative of whether an employee is considered disabled under the STD policy.

The policy provides for a third-party administrator (TPA) to review an STD application and the amount of leave granted, if any, is dependent on the TPA’s determination. The TPA determines the amount of approved leave based on, but not limited to, the following:

1. a standard-recovery time for the injury or illness and associated procedure(s),
2. a review of the employee’s STD application, medical records, and physician’s notes,
3. any complications,
4. and the availability of modified or alternative work within the employee’s department.

An employee is not considered disabled for purposes of STD if he or she can perform modified or alternative work.

Once the STD application is approved, the Company will pay your base salary, not including any other compensation such as incentives, commissions, bonuses, overtime or shift differentials, after you have satisfied the ten-calendar day elimination period.

The employee has the option of using Paid Time Off (PTO) or going unpaid during the ten - calendar day elimination period at the beginning of the STD leave. Employees do not accrue PTO while on STD leave.

LONG TERM DISABILITY

Laitram provides a Long Term Disability (LTD) benefit plan to help eligible employees cope with an illness or injury that results in a long term absence from work. LTD is designed to ensure a continuing income for employees who are disabled and unable to work. Employees participate in the LTD plan subject to all terms and conditions of the agreement between Laitram and the LTD insurance carrier. The cost of this benefit is paid for by the Company. Contact the Human Resources Department for more information about LTD benefits including eligibility, disability definitions, limitations, and restrictions.

LIFE AND AD&D INSURANCE

On the 61st day of service, eligible employees are automatically covered by a basic Life and Accidental Death and Dismemberment Policy. Laitram pays the entire cost of this benefit. This policy also includes life insurance on your dependents. Additional supplemental Life and AD&D Insurance is available to purchase at a cost to the employee.

Life insurance information is provided to new employees at the time of new employee orientation. In order to ensure that decisions regarding beneficiary designations are accurately reflected, it is important that employees designate their beneficiaries using MyADP on-line.

INCENTIVE SAVINGS PLAN - 401(K)

Laitram sponsors a 401(k) tax deferred savings plan. New employees become eligible to participate in this plan on the first day of the month following three (3) months of service. Complete details of the 401(k) plan are described in the Summary Plan Description available on the Human Resources SharePoint site or by contacting Human Resources.

FLEXIBLE (“CAFETERIA”) BENEFITS PLAN

The Company offers all eligible employees a comprehensive Flexible Benefits Plan. This plan allows employees to save money by paying for non-reimbursed medical and child care expenses with pre-tax dollars. This plan also allows for an employee’s portion of medical and dental insurance premiums to be paid on a pre-tax basis. Complete details of this plan are set forth in the Summary Plan Description available on the Human Resources Internet site or by contacting Human Resources.

TUITION REIMBURSEMENT

As part of our comprehensive benefits package, Laitram participates with our employees in a tuition reimbursement program for approved educational programs. The purpose of the program is to financially assist the employee in the cost of higher education; it is not meant to pay for such courses of study in full. Details on what courses qualify for tuition reimbursement and the amount, review the program details on the Human Resources Intranet site.

EMPLOYEE ASSISTANCE PROGRAM

An Employee Assistance Program that provides free initial counseling by trained professionals is available to each U.S. employee. This program helps you and your family members address any number of problems (family, marital, financial, legal, substance abuse, etc.) that may affect your personal life and/or job performance.

The Employee Assistance Program, which is strictly confidential, is designed to allow you or your family members to seek help on your own. For further information about this program, see the Human Resources Intranet site or contact Human Resources.

LONG TERM CARE INSURANCE

Employees are automatically covered on their 61st day of service providing a base benefit of \$1,000 per month for up to 24 months. Additional LTC Insurance is available to purchase at a cost to the employee.

LAITRAM HEALTH & WELLNESS CENTER

Our goal is to help employees achieve optimum health. The Laitram Health & Wellness Center staff is licensed to diagnose, treat, and prescribe for a wide variety of common illnesses. In addition to sick care, employees have access to a full range of health assessment, coaching and disease management services.

If you are covered by the Laitram Health Plan, there is no charge for services and medicines you receive at the Center. If you are not covered by the Laitram Health Plan, a visit will cost \$20 plus any ancillary charges for items such as external laboratory tests.

LAITRAM FITNESS & NUTRITION CENTER

As part of our health and wellness program, Laitram provides an on-site fitness and nutrition center managed by LifeStart, a leading provider of onsite preventive care strategies and wellness initiatives. The Center is open 24/7. Staffed with a registered dietician and fitness specialists, the Center offers state-of-the-art fitness machines, free weights, nutritional counseling and group exercise classes. An employee only benefit, Laitram employees are eligible for membership at a cost of \$7.00 per pay period. Group exercise classes are offered at no additional cost. Individual or group training sessions are available at additional cost.

TIME OFF

HOLIDAYS

At the beginning of each calendar year, the Company will publish a list of holidays to be observed during that year. Although holidays may vary from year to year, the typical observances are New Year's Day, Martin Luther King, Jr. Day, Mardi Gras Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving (two days), and Christmas (two days). Intralox Baltimore and Grand Rapids offices have a floating holiday in lieu of Mardi Gras.

For some departments, to be eligible for holiday pay, hourly employees must work the day before and the day after the holiday, unless you have an authorized absence. When business circumstances make it necessary, some departments may be working around-the-clock, seven days per week. In this situation, these departments may not close down to observe holidays.

Hourly and Salaried non-exempt employees who work on Company holidays due to business necessity will be paid for the time worked and will also receive holiday pay. Holiday pay will be considered actual hours worked for overtime purposes.

PAID TIME OFF ("PTO")

Laitram recognizes that employees have diverse needs for time off from work. To help meet these needs, Laitram has established this Paid Time Off ("PTO") program. PTO promotes flexibility with time off. Employees are accountable and responsible for managing their own PTO hours to allow for sufficient reserves if there is a need to cover vacation, illness, appointments, emergencies, or other situations that require time off from work.

Laitram's PTO program is not intended to limit any rights an employee may have under state or federal laws, such as the Family and Medical Leave Act (FMLA), which allows eligible employees to take up to twelve (12) weeks of unpaid leave for certain personal or family situations.

Eligibility

Employees working at least 21 hours per week are eligible to participate in the PTO program immediately upon hire. Contract workers, independent workers, temporary workers, leased workers, and employees working under 21 hours per week are not eligible to participate.

Accrual of PTO Days

PTO begins accruing from the employee's first paycheck and can be used as soon as time accrues. Employees accrue PTO based on their years of service and scheduled hours (up to a maximum of 40 hours per week). For example:

Scheduled Hours*	0-5 Years of Service**	5+ Years of Service**
40 hours per week	6.17 hours per pay period (4 weeks per year)	7.70 hours per pay period (5 weeks per year)
30 hours per week	4.62 hours per pay period (4 weeks per year)	5.77 hours per pay period (5 weeks per year)
21 hours per week	3.23 hours per pay period (4 weeks per year)	4.03 hours per pay period (5 weeks per year)

*Maximum of 40 hours per week; **Length of service is calculated from your hire date.

Employees do not accrue PTO time while on personal, maternity or parental, short-term disability, long-term disability, Continuous FMLA or Workers' Compensation leave. If an employee uses PTO for personal leave or continuous FMLA leave, the employee will accrue PTO during those pay periods when PTO is used. Employees should check Kronos for the most up to date PTO accrual balance.

Use and Scheduling of PTO

Employees are required to use available PTO when taking time off from work, with the exception of time off under Short Term Disability leave or continuous FMLA leave, where use of PTO time is optional. PTO may be taken in 30 minute increments. PTO should be recorded using the PTO pay code.

Whenever possible, PTO should be scheduled in advance. PTO is subject to supervisory approval, department staffing needs, and established departmental procedures. Employees are required to follow the advance scheduling and notification procedures of their departments. Unscheduled absences will be monitored. Unscheduled absences should be recorded as "PTO Unplanned" for employees covered by No-Fault or Perfect Attendance programs, or as required by department policies.

PTO is paid at the employee's base pay rate and does not include any other compensation such as incentives, commissions, bonuses, overtime, or shift differentials. PTO is not included as hours worked for overtime purposes. If a designated Company holiday falls during PTO, that holiday will not be charged as PTO.

For salaried exempt and salaried non-exempt employees, absences of 2 hours or less do not need to be recorded, unless required by department policy.

If an employee has used all of his PTO and needs to be absent due to extenuating circumstances, the employee, with prior supervisor approval, may be permitted to take time off unpaid or go negative PTO up to 40 hours. Going negative should only be requested and will only be granted for extenuating circumstances and not on a recurring basis.

Accrual Limits

Under the PTO program, employees may carry over accrued but unused PTO hours up to the following limits:

Length of Service*	Maximum Accrual Limit
0 to 5 years of Service	240 hours (6 weeks)
5+ to 10 years of Service	480 hours (12 weeks)
10+ years of Service	480 hours plus 40 hours a year after the employee completes 10 years of service with a maximum accrual limit of 1,040 hours (26 weeks)

*Length of service is calculated from your hire date.

Year-End Payout for Hourly Employees

Each December, hourly employees will have the option to elect a year-end payout. Only hourly employees who have a minimum PTO balance greater than 40 hours at year-end will be eligible for the payout. The payout amount is the employee's hours in excess of the 40 hour minimum, up to 80 hours. Employees can choose a payout of up to 40 or up to 80 hours, depending on their accrued balance. This payout will be made in January of the following year.

Payment Upon Termination

An employee will be paid accrued but unused PTO upon termination from the Company, whether voluntarily or involuntarily, based on the following schedule:

Length of Service*	Payment at Termination
0-12 Months	Accrued but unused PTO up to a maximum of 40 hours (pro-rated for part-time employees)
12+ Months	Current PTO balance up to the maximum accrual limits

*Length of service is calculated from your hire date.

LEAVE OF ABSENCE/TIME OFF WITHOUT PAY

All eligible employees who have been employed by Laitram for at least six months or more may request a leave of absence without pay. If an employee wants to apply for a leave of absence, he must request the leave from his supervisor. Each request for leave will be considered individually on its merits. The factors considered in granting or denying the request include the purpose of the leave, the employee's length of service and service record, the department's attendance policy, and the effect upon the operation of the unit or department.

If the supervisor approves the leave, the employee should complete a leave of absence request, found on the HR SharePoint site, and have the supervisor sign the request. The completed form should be sent to Human Resources prior to the start of the leave. A definite date must be established for the expiration of the leave. If the employee does not return to work at the specified time, the employee may be terminated. Employees must use all accumulated PTO during leave. After all accumulated PTO is exhausted, the remainder of the leave will be unpaid.

MATERNITY & PARENTAL LEAVE

Laitram provides paid maternity and parental leave for eligible expectant mothers and employees to take the time they need to bond with the new addition(s) to their families. Expectant mothers receive 6 weeks of paid Maternity Leave and 4 weeks of paid Parental Leave for a total of 10 weeks combined. Non-birth and adoptive parents receive 4 weeks of paid Parental Leave. More details on this policy and how to request leave can be found in the Maternity & Parental Leave Policy on the Human Resources Intranet site.

BEREAVEMENT LEAVE

Bereavement leave provides paid time off for employees to arrange for and attend the funeral services of an immediate or extended family member. Bereavement leave is paid independent of and is not deducted from an employee's PTO bank.

- For the death of an immediate family member, an employee may take up to five (5) workdays off with pay. Immediate family members include an employee's spouse, parents, siblings and children (including step-parents, siblings and children).
- For the death of an extended family member, an employee may take up to three (3) workdays off with pay. Extended family members include an employee's grandparents, grandchildren, son/daughter in law, and their spouse's parents, grandparents, or siblings.
- Leave to attend the funeral of a person who is not an immediate or extended family member should be recorded as PTO and will be subject to the terms of the attendance policy of the employee's department.
- If additional time away from work is needed for bereavement or to handle other affairs (e.g. taking care of the deceased's estate), this leave should be recorded as PTO and will be subject to the terms of the attendance policy of the employee's department.

Employees who need to take bereavement leave should notify their supervisor immediately. Bereavement leave does not have to be taken consecutively but must be initiated and taken within fourteen (14) calendar days from the date of death. The Company may require verification of the need for the leave.

Bereavement leave is paid at the employee's base pay rate and does not include any other compensation such as incentives, commissions, bonuses, overtime or shift differentials. Bereavement leave is not included in the calculation of overtime for non-exempt employees.

INCLEMENT WEATHER COMPANY CLOSINGS/EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fire, power failures, etc. can disrupt Company operations. During these times, the Company will make every effort to continue regular operations and maintain normal work hours. In some cases, however, circumstances may require the closing of a portion or all Company facilities. The procedure for paying employees during a company closure is explained in the Company's Inclement Weather Company Closure Policy.

FAMILY AND MEDICAL LEAVE ("FMLA")

Employees have rights to Family and Medical Leave under the federal Family and Medical Leave Act. The Company provides Family and Medical Leave in accordance with this law and any applicable state laws. Employees who have been employed for at least 12 months and who have worked at least 1,250 hours during the previous 12 months are eligible for up to 12 weeks of **unpaid** Family and Medical Leave per year. Please refer to the Company's FMLA policy on the Human Resources SharePoint site for details about FMLA leave.

EXTENDED LEAVE

Any employee who remains on a leave of absence for a period exceeding six months, regardless of the reason for the leave of absence, may be terminated and removed as an active employee from the Company's payroll, unless the employee qualifies for an accommodation under state or federal law. If an employee "returns to work" for less than one full week during the leave of absence, that time of service will not extend the six-month period provided by this policy.

JURY DUTY

Laitram recognizes your obligation to serve as a juror if called. If you receive a notice to report for jury duty, present the document to your Supervisor or Department Manager at the earliest possible date so that personnel coverage can be arranged during your absence.

Employees selected for jury duty will be excused from work only for the time period they are detained while waiting for a case or while serving as a juror and will be paid for time served as a juror. Employees will be required to return to work if the case to which they are assigned is continued or if they are excused from jury service.

MILITARY LEAVE

Laitram will comply with the Uniform Services Employment and Reemployment Rights (USERRA), and when applicable, the Military Service Relief Act (MSRA), and applicable state laws pertaining to military leave. As the laws change, or as interpretations of the laws change, military leave benefits for covered employees may change accordingly.

As military leave situations arise, employees should consult with their Supervisor and Human Resources for current and complete details regarding their military leave rights. The Company's Military Leave policy can also be found on the Human Resources SharePoint site.

COMMUNICATION CHANNELS

SUGGESTIONS

Any and all suggestions on how the Company can be more productive, efficient or a better place to work are welcomed and encouraged.

Suggestions can be made directly to your Supervisor, the Director of Human Resources, Department Managers, Division General Managers or Jay Lapeyre. All suggestions will be presented to management and considered seriously. You will be informed promptly as to whether or not your suggestion has been accepted and, if not, why that decision was made.

PERFORMANCE REVIEWS

Twice each year you will meet with your Supervisor to discuss your performance, goals, and ideas for improving your job. You and your Supervisor will complete and use a Performance Improvement Plan (or similar plan) to be sure that you both understand and agree upon the expectations for your performance each year. The plan serves as a communication tool between you and your Supervisor so that there are “no surprises” when it comes to your performance evaluation.

We encourage you to contribute to these meetings by being open and honest and by understanding how important they are to us in promoting the Company’s Business Philosophy.

Internal Job Application Process

The internal job application process is for all current employees who wish to apply for other opportunities within the Company. The process helps ensure there are no misunderstandings or competition for employees between Departments or Divisions. When a job opening becomes available, a job description will be posted on the Avature page, which is available on the Human Resources SharePoint site under Job Postings. No position can be filled without first being posted internally for a minimum of seven days. To be eligible for an internal transfer, two conditions must be met:

1. You must work a minimum of one year in your current position.
2. You should be in good standing without any current performance or disciplinary issues.

Any exception to these requirements must be approved by the Human Resources Director/Manager. The hiring supervisor's decision will be based on selecting the most qualified applicant they feel can best contribute to the productivity of their Department and succeed in the position.

Most moves between Departments or Divisions are lateral with approximately the same pay level. As such, an increase in short-term compensation should not be your primary motivation for investigating an internal transfer.

We have also had significant recruiting success with applicants sent to us by our current employees. If you know someone who fits the qualifications of any of our open positions, please encourage them to come in and apply or send us a resume. If they come to work for us, you could earn a referral bonus for yourself. See the Global Employee Recommendation Bonus

Program found under Job Postings on the Human Resources SharePoint site for more details.

RESOLVING PROBLEMS AND DISPUTES

We expect all Managers, Supervisors, and employees to treat each other with respect, honesty, and fairness. With open, forthright, and honest communication, we believe almost any employee problem or dispute can be resolved to the satisfaction of all involved.

To that end, we have developed the Laitram Open Door Policy and Employee Dispute Resolution Program (EDRP). The goal of this program is to resolve disputes in a way that is effective and fair for all involved.

EDRP utilizes three steps to resolve employment disputes:

1. Open Door Policy;
2. Voluntary Non-binding Mediation; and
3. Final Binding Arbitration.

The foundation of the program is our Open Door Policy process. When certain disputes cannot be resolved through this process, the employee may submit the dispute to non-binding mediation and/or final binding arbitration. Examples of disputes that can be submitted to non-binding mediation and/or final binding arbitration include, but are not limited to, discrimination, harassment, and retaliation disputes. Disputes involving workers' compensation claims, unemployment benefit claims, and those of a non-legal nature, such as performance evaluations, bonus/incentive decisions and promotion/demotion decisions, are excluded from the mediation and arbitration steps of the EDRP.

The Three Steps:

1. **Open Door Policy.** The Company believes in open communication between Supervisors and employees to address employment related disputes. The Open Door Policy is a first and often best way to resolve a dispute. All disputes are handled through the Open Door Policy process. Please refer to the EDRP for a complete discussion of the Open Door Policy process.
2. **Voluntary Non-binding Mediation.** If you are not satisfied with the resolution of your dispute, you may submit the dispute to Non-binding Mediation. Mediation is conducted by a mediator, a neutral third party from outside the Company who is trained in dispute resolution. The mediator listens to both sides of the dispute and helps the parties find common ground for the voluntary resolution of the dispute. Unless the dispute is specifically excluded from the mediation process of EDRP, any dispute can be submitted to Non-binding Mediation. The Non-binding Mediation process is strictly voluntary. An employee may elect to bypass Non-binding Mediation and proceed directly to Final Binding Arbitration.
3. **Final Binding Arbitration.** If you and the Company do not agree on a resolution through mediation or you elect to bypass mediation, the last step is Final Binding Arbitration. Like mediation, arbitration uses a neutral, outside dispute resolution expert to hear the dispute. In arbitration, however, the arbitrator's decision is final and binding on both you and the

Company. In arbitration, both sides present their arguments at a hearing, which is more formal than mediation but less formal than court. The arbitrator weighs the evidence and makes a decision. The arbitrator can provide the same relief that a judge or jury could in a court case. Like mediation, any dispute can be submitted to arbitration unless it is specifically excluded from the arbitration process of the EDRP.

Please refer to the EDRP for a complete description of this program. A copy of the EDRP can be obtained from Human Resources or the Human Resources SharePoint site. In the event of any inconsistencies between this Handbook and the EDRP, the terms and provisions of the EDRP shall control.

IF YOU LEAVE US

RESIGNATION/SEPARATION FROM THE COMPANY

Should you decide to resign from employment with our Company, you are expected to give two weeks written notice in order to leave in good standing. Nevertheless, you are employed by the Company on an at-will basis, and your employment can be terminated at any time, with or without cause, even during your notice period. Also, you cannot extend your separation date with PTO. If you choose not to provide a notice period to allow for the transition of your work/projects, your resignation will be effective immediately.

Employees who leave the Company are paid for accrued, but unused PTO according to the schedule in the PTO policy.

RETIREMENT

The Company does not have a mandatory retirement age. If you are considering retirement, we ask that you consult with the Director of Human Resources at least three months in advance of the retirement date you are considering. This will allow us to help you coordinate Social Security, 401(k), or other benefits for which you may qualify, as well as giving the Company ample opportunity to allow for a smooth transition of your job duties.