

KPM, LTD



EMPLOYEE HANDBOOK

January, 2023

Table of Contents

Policy Name	Page #
WELCOME AND COMPANY HISTORY	1
Our Mission	1
What You Can Expect from KPM.....	1
What KPM Expects from You	2
Handbook Rules and Regulations.....	3
EMPLOYMENT PHILOSOPHY	4
COMPANY COMMITMENT TO EMPLOYEES	4
EMPLOYMENT POLICIES	
A. Nature of Employment – At Will Status	5
B. Equal Employment Opportunity Policy Statement.....	5
C. Disability Accommodation.....	5
D. Introductory Period.....	6
E. Verification of Status.....	6
F. Employee Selection and Employee Background Check	7
G. Employment Classification	7
H. Open Door Policy	8
I. Customer Relations	8
J. Problem Resolution	8
COMPENSATION	
A. Overtime	9
B. Time Recording	9
C. Break and Lunch Periods	9
D. Business Hours	9
E. Paydays & Payroll Policies	9
F. Payroll Deductions	9
G. Pay Corrections.....	10
H. Personnel File Policy	10
I. Compensation and Performance Evaluations	11
FRINGE BENEFITS AND LEAVE POLICIES	
A. Holidays	11
B. Vacation.....	12
C. Sick Days	12
D. Health Insurance Coverage	12
E. Family and Medical Leave Act	13
F. Other Benefit Plans.....	18
G. Bereavement Leave	18
H. Jury Duty	19
I. Military Leave	19

J.	Leave of Absence Without Pay	20
----	------------------------------------	----

RULES OF CONDUCT

A.	Substance Abuse Policy and Alcohol and Drug Testing	21
B.	Drug Free Workplace	22
C.	Conflict of Interest and Outside Employment Statement	22
D.	Attendance Policy.....	24
E.	Smoking.....	24
F.	Weapons	24
G.	Zero Tolerance for Violence	24
H.	Dress Code and Personal Appearance.....	25
I.	Computers, Internet, Electronic Mail, and Voice Mail.....	25
J.	Telephones, Cellular Phones, Photocopying, and Facsimiles	27
K.	Use of Company Property	27
L.	Accidents and Emergencies.....	28
M.	Policy Prohibiting Discrimination and Harassment.....	29
N.	Romantic or Sexual Relationships Between a Supervisor and a Subordinate.....	30
O.	Ethics and Conduct.....	31
P.	Confidentiality of Information	32
Q.	Solicitations, Distributions and Use of Bulletin Boards	32
R.	Other Employee Work Rules/Discipline Procedure	33

EMPLOYMENT TERMINATION

A.	Reasons for Leaving	35
B.	Return of Company Property	36

CLOSING SUMMARY

A.	Handbook Changes.....	36
B.	Summary.....	36

ACKNOWLEDGMENT OF EMPLOYEE HANDBOOK RECEIPT.....	37
---	-----------

Welcome and Company History

We are pleased that you have joined KPM, LTD (“KPM”) and extend best wishes for a mutually rewarding relationship.

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

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

Sincerely,

Jim Kavalec

Our Mission

Our mission is to provide the highest quality services for all of our customers. We believe in treating our employees as we would our customers, with respect and loyalty. We strive to create a well educated, well prepared and conscientious work force. Our employees, along with our customers, are what make KPM.

What You Can Expect From KPM

KPM believes in creating a harmonious working relationship between all employees. In pursuit of this goal, KPM has created the following employee relations objectives:

1. Provide an exciting, challenging, and rewarding workplace and experience.
2. Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, sex, color, race, creed, national origin, religious persuasion, marital status, political belief, or a disability that does not prohibit performance of essential job functions.
3. Compensate all employees according to their effort and contribution to the success of our business.
4. Review wages, employee benefits and working conditions regularly with the objective of being competitive in these areas consistent with sound business practices.
5. Provide vacation and holidays to all eligible employees.
6. Provide eligible employees with health benefits.
7. Take prompt and fair action of any complaint, which may arise in the everyday conduct of our business, to the extent that, is practicable.
8. Respect individual rights, and treat all employees with courtesy and consideration.

What KPM Expects from You

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

How you interact with fellow employees and those whom KPM serves, and how you accept direction can affect the success of your team. In turn, the performance of one team can impact the entire service offered by KPM. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability.

You are encouraged to grasp opportunities for personal development offered to you. This manual offers insight on how you can perform positively and to the best of your ability to meet and exceed KPM's expectations. The importance of your contribution cannot be overstated.

The objective of KPM employment practice is retention of all employees and encouragement of the individual's growth. We seek to have each person reach her or his highest and best potential.

Disrespect toward the company, supervisors or co-workers are considered a violation of company policy. KPM takes pride in treating all employees with respect both personally and professionally.

Remember that you help create the pleasant and safe-working conditions that KPM intends for you. The result will be better performance for KPM and personal satisfaction for you.

Handbook Rules and Regulations

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

None of the benefits or policies in this handbook are intended to confer any unchangeable rights or entitle you to be or remain employed by the Company.

KPM has entered into a co-employer relationship with Surety HR. Surety HR provides various administrative services for Iten, while KPM continues to maintain control of the day-to-day functions and operations. Under this arrangement, both KPM and Surety HR will be considered your employers of record and will maintain certain rights and responsibilities with respect to your employment. We, as a team, want to do our part in making your job more fulfilling by providing you with the best services possible.

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

The contents of this handbook are presented as a matter of information only. While the Company believes wholeheartedly in the plans, policies and procedures described here, they are subject to unilateral change by the Company at any time.

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

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

Employment at KPM is for no definite period and may be terminated at any time by the Company or by the employee with or without cause and without any previous notice. Further, no employee of this Company, including management and supervisory personnel, other than the Owner, has the authority to enter into an agreement for employment for any specified period of time or to make any such agreement contrary to the foregoing. Any such agreement with the Owner must be in writing.

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

EMPLOYMENT PHILOSOPHY

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

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

KPM also gives all employees the right to a work environment free from intimidation and harassment because of their sex, race, age, religion, disability and ethnic origin. Violation of this policy should be reported to your direct supervisor. In the case the infraction is made by your own direct supervisor, you need to report the violation to your direct supervisor.

KPM has zero tolerance for violence in the workplace.

COMPANY COMMITMENT TO EMPLOYEES

KPM is committed to providing a safe and supportive working environment for all of our employees. We are committed to:

- Maintaining competitive wages and benefits
- Having an open door so that you can share your problems and concerns with management
- Accepting your ideas and suggestions with an open mind
- Striving to provide safe working conditions, fair treatment, opportunity for advancement, and freedom from discrimination
- Trying to create a spirit of friendliness and cooperation so we will continue to be known as “a good place to work”

EMPLOYMENT POLICIES

A. NATURE OF EMPLOYMENT – AT WILL STATUS

Every KPM employee has the status of "employee-at-will," meaning that no one has a contractual right, express or implied, to remain in KPM 's employ. KPM may terminate an employee's employment, or an employee may terminate his/her employment, without cause, and with or without notice, at any time for any reason. No supervisor or other representative of the Company (except the Owner) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above.

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

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

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

B. EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT

Equal Employment Opportunity has been, and will continue to be, a fundamental principle at KPM, where employment is based upon personal capabilities and qualifications without discrimination, because of race, color, religion, sex, age, national origin, disability, or any other protected characteristic as established by law.

This policy of Equal Employment Opportunity applies to all policies and procedures relating to recruitment and hiring, compensation, benefits, termination and all other terms and conditions of employment.

Management has the overall responsibility for this policy and maintains reporting and monitoring procedures. Employees' questions or concerns should be referred to your supervisor.

Appropriate disciplinary action may be taken against any employee willfully violating this policy.

C. DISABILITY ACCOMMODATION

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

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

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

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

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

D. INTRODUCTORY PERIOD

As a new employee, your performance will be monitored and assessed, and training will be provided, as required. Your continued employment will be based on satisfactory overall performance during this introductory period. As a new employee, you will not be entitled to most fringe benefits for your first sixty (60) calendar days of employment, the length of the introductory period. How you perform the assigned work, your working relationship with co-workers and supervisors, your attendance, punctuality, and other job-related factors will be appraised. Once you satisfactorily complete the introductory period, you are expected to continue to properly perform your assigned job duties in order to maintain employment. While the introductory period normally lasts 60 days, it may be extended at the discretion of management.

New employees must complete all required paperwork within 24 hours of receipt for processing.

E. VERIFICATION OF STATUS

All offers of employment and if employed, continued employment, are conditioned upon the furnishing of satisfactory documents of identity and legal authorization to work in the United States. If an employee is authorized to work in the United States for a limited period of time, the employee will be required to submit proof of renewed employment eligibility prior to the expiration of that period to remain employed by the Company.

Employees are required to furnish required documentation within three days of the date of hire. If an employee fails to provide to required documentation, in accordance with Federal and State law, the Company reserves the right to terminate the employee. The employee may be rehired upon furnishing of proper documentation.

F. EMPLOYEE SELECTION AND EMPLOYEE BACKGROUND CHECK

KPM is confident that as a result of the mutual selection process undertaken, your employment will prove to be beneficial to KPM as well as yourself and we look forward to having you join us.

We carefully select our employees through written applications, personal interviews and reference checks and your input and desire for a long-term commitment. After all available information was considered and evaluated; you were selected to become a member of our team!

Prior to becoming an employee of KPM, a job-related background check will be conducted. As you may know, a comprehensive background check may consist of prior employment verification, professional reference checks, and education confirmation. As appropriate, a credit, criminal, health examination and/or driving record history may have also been obtained.

G. EMPLOYMENT CLASSIFICATIONS

All employees will fall within one of the following classifications:

Regular Full-Time Employees - An employee who is scheduled to work an average of thirty (30) hours per week on a regular and continuous basis.

Regular Part-Time Employees - An employee who is usually scheduled to work less than an average of thirty (30) hours per week.

Temporary Employees - An employee whose services are anticipated to be of limited duration falls into this classification. Temporary employees are not eligible for participation in those employee benefits programs made available for the Regular Full-Time and Regular Part-Time Employees.

For payroll purposes, employees will be classified as one of the following:

Exempt Employees - Certain employees such as executive, administrative, professional and outside sales employees are paid on a salary basis for all hours worked each week. Certain computer professionals may also be exempt, regardless of whether they are paid on a salary or hourly basis. These employees are expected to work whatever hours are required to accomplish their duties, even if it exceeds their normal workweek. No overtime premium pay will be paid to exempt employees in most circumstances.

Non-Exempt Employees - All employees who are not identified as exempt employees are considered non-exempt employees. Non-exempt employees are eligible for payment of overtime premium pay.

H. OPEN DOOR POLICY

KPM promotes an atmosphere whereby employees can talk freely with members of the management staff. Employees are encouraged to openly discuss with their direct supervisor any problems so appropriate action may be taken. If the direct supervisor cannot be of assistance, the Owner is available for consultation and guidance. KPM is interested in all of our employees' success and happiness with us. We, therefore, welcome the opportunity to help employees whenever we can.

I. CUSTOMER RELATIONS

The success of KPM depends upon the quality of the relationships between KPM, our employees and customers. Our customers' impression of KPM and their interest is greatly formed by the people who serve them. In a sense, regardless of your position, you are KPM's ambassador. The more goodwill you promote, the more our customers will respect and appreciate you, KPM and KPM's services.

J. PROBLEM RESOLUTION

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

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

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

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

COMPENSATION

A. OVERTIME

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

Overtime hours may only be worked on the express approval of the employee's direct supervisor. Overtime compensation is paid to most hourly employees at the rate of 1-1/2 times the employee's regular hourly rate for all hours actually worked in excess of forty (40) hours in a week. Employees are required to keep an accurate record of their time (via time card or time sheet) and submit that record to the office at the end of the payroll period. Holidays, vacation days, or other paid days during a work week are not considered time worked for purposes of determining overtime eligibility.

B. TIME RECORDING

All employees are required to record their time in the on-site time log and must follow the Company's method of reporting time worked to ensure accurate records and to provide you with the correct payment of wages. You will be paid for all hours worked for the Company. Hourly employees must report all time worked – working "off the clock" is strictly prohibited.

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

C. BREAK AND LUNCH PERIODS

All employees who work more than six (6) hours in a shift are required to take a 30-minute lunch break. Schedules may vary from employee to employee based on work requirements and from one department to another.

D. BUSINESS HOURS

Your working hours will be determined by the hiring manager or your supervisor. You will be informed of these hours upon hire. The Company reserves the right to change your hours at any time.

E. PAYDAYS & PAYROLL POLICIES

Employees will receive their pay bi-weekly on Fridays.

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

F. PAYROLL DEDUCTIONS

KPM is required by law to make certain deductions from your paycheck each time one is prepared. Among these are your federal, state and local income taxes and your contribution to Social Security. These deductions will be itemized on your check stub.

The amount of the deductions will depend on your earnings and on the information you furnish on your W-4 form regarding the number of exemptions you claim. If you wish to modify this number, please request a new W-4 form from your supervisor. Only you may modify your W-4 form. Verbal or written instructions are not sufficient to modify withholding allowances. We advise you to check your pay stub to ensure that it reflects the proper number of withholdings.

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

Social Security

The United States Government operates a system of mandated insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which benefits are paid. As your employer, KPM is required to deduct this amount from each paycheck you receive.

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

G. PAY CORRECTIONS

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

H. PERSONNEL FILE POLICY

KPM maintains an official personnel record for each employee at its office. All records are the property of KPM. You may view your personnel files in the presence of the Owner. You may not remove any material from the file, but you may insert comments if desired. Records may be retained in printed or electronic format (i.e. scanned version of the original documents) at the discretion of KPM.

To keep necessary Company records up to date, it is extremely important that you notify the hiring manager or your supervisor of any changes in:

Name and/or marital status

Your address and telephone number

Address and/or telephone number of eligible dependents
Person to contact in case of emergency

Questions regarding insurance, wages, and interpretation of policies may be directed to your direct supervisor.

I. COMPENSATION AND PERFORMANCE EVALUATIONS

As an organization, KPM constantly reviews our progress toward achieving goals which directly affect the Company while enhancing the success and personal growth of each employee. Therefore, KPM expects to review the performance of each employee. Any wage or salary increases will be based on merit as determined by the appropriate supervisor and management.

FRINGE BENEFITS AND LEAVE POLICIES

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

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

Eligibility for Benefits

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

A. HOLIDAYS

KPM will be closed on the following holidays if they fall during the regularly worked week. Full-time employees who have successfully completed their sixty (60) day introductory period will be eligible for holiday pay. Eligible employees must work their last scheduled day (at least eight hours) before the holiday and the next scheduled day after the holiday in order to receive holiday pay. Non-qualifying (part-time employees or full-time employees with less than 60 days) employees are required to take the day off without pay. Non-qualifying employees will not be paid on days the office is closed and no work performed.

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day

- Christmas Eve
- Christmas Day

B. VACATION

All full-time employees are eligible for vacation time on the first month following the successful completion of their sixty (60) day introductory period. Vacation days accrue as follows:

Length of Service	Eligibility per Year
0 – 2 years	40 hours / one week
3 – 5 years	80 hours / two weeks
6 years	88 hours / two weeks + 1 day
7 years	96 hours / two weeks + 2 days
8 years	104 hours / two weeks + 3 days
9 years	112 hours / two weeks + 4 days
10 + years	120 hours / three weeks

Twenty (20) vacation days per year is the maximum number of days that can be accrued after reaching your 10-year anniversary date. There is no rollover of vacation days from year to year. All vacation time is issued on January 1st of each calendar year. Vacation time must be used before 12/31 of each year. Any vacation time that is not used will be forfeited.

The Company will attempt to accommodate requested vacation times, but reserves the right to turn down a request depending on business needs. Employees are required request vacation in writing at least thirty (30) days prior to the first day of vacation. In general, if multiple employees request the same vacation time, the person who made the request first will be accommodated. All requests must be approved by your direct supervisor.

Vacation is for the purpose of rest and relaxation. The Company does not pay vacation pay in lieu of vacation. Also, employees who quit without two weeks' notice or who are fired are not entitled to pay for accrued but unused vacation. Employees who are laid off or who resign with two weeks' notice will received pay for earned but unused vacation within two weeks of their last day of work

C. SICK DAYS

For salaried employees: upon completion of one year and at the beginning of each calendar year, full-time exempt employees will accrue three (3) sick days. Sick days will be paid as combined total of no more than three (3) days and may not be carried over into the next calendar year.

D. HEALTH INSURANCE COVERAGE

The Company currently offers all full-time employees (those who normally work at least 30 hours per week), after sixty (60) days of employment, medical insurance.

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

The summary plan description and the policies themselves describe benefits available in greater detail. The benefits offered and the amount of the employee's contribution can change at the Company's sole discretion.

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

The Company reserves the right to change the terms of this policy at any time. The terms of the plan prevail over any description contained in this handbook.

E. FAMILY AND MEDICAL LEAVE ACT

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

Eligibility

In order to qualify for FMLA leave, employees must:

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

Reasons for Leave

Leave must be taken for one of the following circumstances:

- Incapacity due to pregnancy, prenatal medical care or child birth;
- The placement of a child with the employee in connection with adoption or foster care;
- To care for a child, parent or spouse who has a serious health condition (see definition below);
- Because of an employee's own serious health condition (see definition below) that makes the employee unable to perform the essential functions of his or her position; or
- Military related leave (as described in this policy).
 - Because of any "qualifying exigency," arising out of the fact that the spouse, son, daughter, or parent of the employee is on active duty or has been notified

of an impending call to active duty status in the Armed Forces in support of a contingency operation (as defined in the FMLA);

- “Qualifying exigency” means: (i) short notice deployment (notice seven or less days); (ii) military events and related activities; (iii) child care and school activities; (iv) financial and legal arrangements; (v) counseling; (vi) rest and recuperation (five days for each instance); (vii) post-deployment activities; and (viii) additional activities agreed to by the employer and employee.
- To care for a *covered servicemember* or “Caregiver Leave.”¹

Spouse Employees

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

Designation of Leave

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

Measuring Leave

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

Notice of Need for Leave

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

Definition of Serious Health Condition

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

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

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

Continuation of Benefits

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

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

If the employee contributes to a life insurance or disability plan, the Company will continue making payroll deductions while the employee is on paid leave. While the employee is on unpaid leave, the employee may request continuation of such benefits, and pay their portion of the premiums; or the Company may elect to maintain such benefits during the leave and pay the employee's share of the premium payments. If the employee does not continue these payments, the employer may discontinue coverage during the leave. If the Company maintains coverage, the Company may recover the costs incurred for paying the employee's share of any premiums whether or not the employee returns to work.

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

Increments of Leave

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

Certification of Serious Health Condition (and Recertification)

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

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

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

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

Certification When Leave is due to a "Qualifying Exigency."

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

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

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

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

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

Restoration of Employment

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

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

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

CAREGIVER OR COVERED SERVICEMEMBER LEAVE

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

A "*covered servicemember*" is a member of the Armed Forces who has a "serious health, illness or injury" incurred by the member on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating.

"*Serious injury or illness*" means: (i) undergoing medical treatment, recuperation, or therapy; or (ii) is otherwise an outpatient; or (iii) is otherwise on the temporary disability retired list.

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

Duration of Caregiver Leave

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

Notice for Covered Servicemember Leave

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

Substitution of Paid Leave for "Covered Servicemember" Leave

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

Certification

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

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

Spouses Both Employed by the Company

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

WORKERS’ COMPENSATION

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

LEAVE UNDER STATE MILITARY LEAVE LAWS

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

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

The Company reserves the right to change the terms of this policy at any time. The terms of the plan prevail over any description contained in this handbook.

F. OTHER BENEFIT PLANS

As other benefits become available to employees, you will be advised of their terms as you become eligible.

G. BEREAVEMENT LEAVE

Employees are eligible for two (2) days of paid leave for the death of an immediate family member. These two (2) days are to be taken consecutively within a reasonable time of the day of the death or day of the funeral, and may not be split or postponed.

For this purpose, immediate family is defined as:

- Spouse
- Child

Step-Child
Parents (including in-laws)
Siblings
Grandparents

In order to receive this paid benefit, employees must forward their hiring manager / supervisor a copy of the obituary notice or funeral program. Bereavement leave does not count against an employee's attendance record providing proper documentation is submitted. (obituary notice / funeral program)

H. JURY DUTY

A paid leave of absence will granted to any full-time or part-time employee for jury duty. Employees will be paid their regular hourly rate for each day without overtime, less any compensation paid to the employee for serving on jury duty, for a maximum of two (2) weeks.

Upon receipt of the notice to serve jury duty, the employee should immediately notify his/her direct supervisor. Additionally, a copy of the notice to serve jury duty should be attached to the employee's attendance record for attendance purposes.

Upon the employee's return, the employee must notify their immediate supervisor and must submit a signed Certificate of Jury Service indicating the number of days served.

If the jury duty falls at a time when the employee cannot be away from work, the Company may request that the court allow the employee to choose a more convenient time to serve if he/she makes a request in accordance with the court's procedures. The employee must cooperate with this request.

I. MILITARY LEAVE

An employee who is a member of the United States Army, Navy, Air Force, Marines, Coast Guard, National Guard, Reserves or Public Health Service will be granted an unpaid leave of absence for military service, training or related obligations in accordance with applicable law. Employees on military leave may substitute their accrued paid leave time for unpaid leave. At the conclusion of the leave, upon the satisfaction of certain conditions, an employee generally has a right to return to the same position he or she held prior to the leave or to a position with like seniority, status and pay that the employee is qualified to perform.

Continuation of Health Benefits

During a military leave of less than 31 days, an employee is entitled to continued group health plan coverage under the same conditions as if the employee had continued to work. For military leaves of more than 30 days, an employee may elect to continue his/her health coverage for up to 24 months of uniformed service, but may be required to pay all or part of the premium for the continuation coverage. Employees and/or dependents who elect to continue their coverage may not be required to pay more than 102% of the full premium

for the coverage elected. The premium is to be calculated in the same manner as that required by COBRA.

J. LEAVE OF ABSENCE WITHOUT PAY

Should a situation arise that temporarily prevents an employee from working, he/she may be eligible for a personal Leave of Absence without pay.

Any request for a leave of absence without pay must be submitted in writing as far in advance as possible and it will be reviewed on a case-by-case basis by the employee's direct supervisor. The decision to approve or disapprove is based on the circumstances, the length of time requested, the employee's job performance and attendance and punctuality record, the reasons for the leave, the effect the employee's absence will have on the work in the department and the expectation that the employee will return to work when the leave expires.

Continuing Benefit Plan Coverage

While on a personal unpaid leave of absence, employee's medical coverage will end on the 1st day of the month following the start of such leave. Employees will have the opportunity of continuing their benefits for a maximum period of 18 months by paying the monthly premiums as required by COBRA legislation. Unemployment Insurance benefits cannot be collected while on a leave of absence without pay.

Salary Action

Any planned salary increase for an employee returning from an unpaid leave of absence without pay will be deferred by the length of the leave.

Vacation and Personal Time

During the calendar year that an employee takes an unpaid leave of absence without pay, the employee is not eligible for vacation. Unused vacation and personal days must be used before an unpaid leave of absence without pay will be granted

Performance Appraisal

The normal performance appraisal date of an employee on an unpaid leave of absence without pay will be extended by the length of the leave.

Returning/Not Returning From a Leave

Due to the nature of our business, KPM cannot guarantee either that an employee's job will remain available or that a comparable position will exist when return from an unpaid leave is sought. When an employee is ready to return from a leave of absence without pay, KPM will attempt to reinstate the employee to his/her former position or to one with similar responsibilities. If the position or a similar position is not available, the employee will be terminated.

An employee who returns to work following an unpaid leave will be considered as having continuous service. If an employee does not return from an unpaid leave of absence without pay, the termination date is the last day of the authorized leave period

or the date the employee notifies his/her direct supervisor he/she is not returning, whichever is sooner. Such employees may be considered for reemployment.

RULES OF CONDUCT

A. SUBSTANCE ABUSE POLICY AND ALCOHOL AND DRUG TESTING

It is the objective of the Company to provide a safe, healthy and productive work environment free of unauthorized drug and alcohol use. For purposes of this policy, "unauthorized drug" shall mean any narcotic, depressant, stimulant, hallucinogen, cannabinoid, or other substance subject to the Federal Controlled Substances Act which is not lawfully prescribed to or obtained by an employee including "legal" drugs which are possessed or used by an employee in an inappropriate manner or in the dosages and the purposes for which the drug was not prescribed and manufactured. In order to accomplish the above-stated objectives, procedures have been implemented to ensure that there shall be no unauthorized drugs or alcohol.

1. Possession, distribution, sale or use of unauthorized drugs or alcohol on Company premises or during working hours anywhere is strictly prohibited and any employee violating this prohibition will be subject to disciplinary action, up to and including discharge.
2. Any employee working or reporting for work under the influence of alcohol or with unauthorized drugs in his or her body or possession will be subject to disciplinary action up to and including discharge. The Company may request any employee to submit to a test if the Company has reasonable cause to believe that the employee is under the influence of alcohol or has unauthorized drugs in his or her body.
3. Reasonable cause testing may be based upon, among other things:
 - a. observable phenomena, such as direct observation of drug or alcohol use or possession and/or the physical symptoms of being under the influence of alcohol or a drug;
 - b. a pattern of abnormal conduct or erratic behavior;
 - c. arrest or conviction for a drug-related offense or the identification of an employee as the focus of a criminal investigation into illegal drug possession, use or trafficking;
 - d. information provided either by reliable and credible sources or independently corroborated;
 - e. newly discovered evidence that the employee has tampered with a previous drug test; or

- f. an employee's involvement in a work-related accident, incident or injury, no matter how slight the injury.
4. Failure to submit to reasonable suspicion testing is grounds for disciplinary action, up to and including, immediate discharge. Any attempts to alter or substitute a specimen submitted for a test will be deemed a refusal to take a drug or alcohol test when required, subjecting the employee to discipline, up to and including, discharge.
5. **Testing positive for unauthorized drugs or alcohol after a work-related accident or injury may prevent an employee from receiving workers' compensation benefits to which the employee might otherwise be entitled.**
6. In addition to reasonable cause testing, the Company reserves the right to conduct random drug tests at anytime. Refusal to submit to a random drug test upon request, or testing positive after a random drug test, will subject the employee to disciplinary action up to and including discharge.

B. DRUG FREE WORKPLACE

KPM is a drug free workplace. The Company reserves the right to screen any potential employee or current employee for the following: pre-offer, post-hire, post-accident, reasonable suspicion, and random testing. Should a drug screen come back positive for any type of substance: drug or alcohol, the employee will be terminated for violation of this policy.

C. CONFLICT OF INTEREST AND OUTSIDE EMPLOYMENT STATEMENT

In General

The Company expects our employees to conduct business according to the highest ethical standards of conduct. Business dealings that appear to create a conflict between the interests of the Company and an employee are unacceptable. A potential or actual conflict of interest occurs whenever an employee is in a position to influence a decision that may result in a personal financial gain for the employee or an immediate family member (i.e., spouse or significant other, children, parents, siblings) as a result of the Company's business dealings. The employee must disclose any possible conflicts so that the Company may assess and prevent potential conflicts of interest from arising.

Although it is not possible to specify every action that might create a conflict of interest, this policy sets forth the ones which most frequently present problems. If an employee has any question whether an action or proposed course of conduct would create a conflict of interest, he or she should immediately contact the **[title]** to obtain advice on the issue. The purpose of this policy is to protect employees from any conflict of interest that might arise.

A violation of this policy will result in immediate and appropriate discipline, up to and including immediate termination.

Outside Employment

The Company recognizes the right of employees to engage in activities outside of their employment which are of a private nature and unrelated to our business. If an employee wishes to engage in employment or business activity outside his/her employment with the Company, the employee must first disclose to the Company the nature and extent of the proposed employment or business activity, and obtain the Company's written approval. Approval will only be withheld if the Company reasonably determines that the employee's proposed outside employment or business activity could conflict or compete with the interests of the Company, or could negatively affect the employee's job performance or attendance or create a potentially unsafe working environment.

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; or
- involve organizations that are doing or seek to do business with the Company, such as actual or potential vendors or customers.

From time to time, Company employees may be required to work beyond their normally scheduled hours. Employees must perform this work when requested. In cases of conflict with any outside activity, the employee's obligations to the Company must be given priority. Employees are hired and continue in KPM's employ with the understanding that KPM is their primary employer and that other employment or commercial involvement which is in conflict with the business interests of KPM is strictly prohibited.

Financial Interest in Other Business

An employee and his or her immediate family may not own or hold any significant interest in a supplier, customer or competitor of the Company, except where such ownership or interest consists of securities in a publicly owned Company and the securities are regularly traded on the open market.

Acceptance of Gifts and Giving Entertainment or Gifts

No employee may solicit or accept gifts of significant value (i.e., in excess of \$25.00), lavish entertainment or other benefits from potential and actual customers, suppliers or competitors. Special care must be taken to avoid even the impression of a conflict of interest.

An employee may entertain potential or actual customers if *such* entertainment is consistent with accepted business practices, does not violate any law or generally accepted ethical standards and the public disclosure of facts will not embarrass the Company. Any questions regarding this policy should be addressed to your direct supervisor.

D. ATTENDANCE POLICY

KPM needs the combined efforts of all employees to ensure uninterrupted, efficient operation. Absenteeism and tardiness places a burden on KPM, its customers and fellow employees. Absenteeism and tardiness disrupt operations and put the burden of one person's work onto another person. Employees are expected to come to work on time. In case of absence or tardiness for any reason, employees themselves must notify their direct supervisor as soon as reasonably possible (minimum of 15 minutes prior to start of their work day) and provide the estimated date or time they expect to return to work. Employees who know in advance that they will need to be absent must formally request this time off both with their direct supervisor. Failing to notify management in advance of absence, absenteeism and/or tardiness when known in advance in by the employee will subject the employee to discipline up to and including discharge. Two absences without notification within a continuous twelve (12) months period will subject the employee to discipline up to and including termination. If an employee needs to leave during his or her shift, he or she must notify their direct supervisor. An employee who leaves work without properly notifying their direct supervisor and securing permission will subject the employee to discipline up to and including termination.

E. SMOKING

KPM prohibits smoking inside its facility as well as near any entrances to the office that are immediately adjacent to a building. Smoke must not enter doorways or ventilation systems. Smokers must use designated smoking areas.

F. WEAPONS

Employees and visitors are prohibited from bringing any firearms or weapons inside company premises, in company vehicles, or at any job sites. In accordance with Ohio law, employees may keep firearms locked inside of their personal vehicle while it is parked on company premises. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment. In the event you become aware that an employee or a visitor has a weapon inside the premises, please notify management immediately.

G. ZERO TOLERANCE FOR VIOLENCE

“An action (verbal, written, or physical aggression), which is intended to control or cause, or is capable of causing, death or bodily injury or serious bodily injury to oneself or others, or damage to property. Violence includes, but is not limited to, abuse of authority, intimidating or harassing behavior and threats.”

Due to the general increase nationally in regards to workplace physical altercations, workplace violence and non-physical altercations in the workplace, this company is clarifying its policy on these types of incidents in our workplace and/or while working as an employee for this company in any manner at any other company location. This policy applies to all contact with vendors, clients, management and other employees and the general public.

This policy is being enforced for the general safety and concern of all our employees, vendors, clients, management and the general public.

This policy also applies to management's contact with employees in the general course of their supervisory duties.

It is KPM's policy to prohibit any type of aggressive physical contact such as, but not limited to, pushing, shoving, kicking, punching, spitting on, fighting, wrestling and any other forms of aggressive physical contact regardless whether injury results or not.

Any employee who feels that (s)he is a victim of workplace physical altercations should immediately report the matter in writing, to avoid any misinterpretation, to their supervisor. The company will fully investigate all such incidents retaining confidentiality as best as possible. Adverse action will not be taken against an employee who reports or participates in the investigation of a violation of this policy.

Violation of this policy will not be permitted and may result in disciplinary action, up to and including discharge. It is this company's hope that preventing the first level(s) of physical altercations will have a direct result in hindering higher levels of physical altercations from taking place.

H. DRESS CODE AND PERSONAL APPEARANCE

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

KPM expects employees to maintain a neat, well groomed appearance at all times. Even if you work "behind-the-scenes", you will probably have occasional contact with customers and clients, so appearance and hygiene are important.

All employees are required to wear Company issued t-shirts and closed toe shoes, along with proper pants. Employees may not wear clothing that reveals your chest, your stomach or your underwear. In our work environment, torn, dirty, or frayed clothing is unacceptable.

Employees should wear clothing that is comfortable and practical for work. Any clothing that has words, terms, or pictures that reflect any form of violent message or that reflect a discriminatory message in violation of the Company's policy prohibiting discrimination and harassment is unacceptable. Examples of unacceptable attire include excessively tight or revealing clothes and ripped or torn clothing.

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

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

E-Mail Policy

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

Computer and other passwords remain the property of KPM at all times. Employees may not share e-mail passwords, provide e-mail access to an unauthorized user, or access another user's e-mail without authorization from management.

Messages and pictures that violate KPM's policy prohibiting discrimination and harassment, its conflict of interest policy, its confidentiality policy or its solicitations/distributions policy are prohibited.

Internet e-mail messages are not confidential. Anything sent through the Internet passes through a number of different systems, all with different levels of security. The confidentiality of messages may be lost at any point unless the messages are encrypted.

Use of the e-mail system for personal and home correspondence is permitted, provided that such use does not violate any of KPM's other policies such as dealing with workplace discrimination and harassment, solicitation, or conflicts of interest. Personal use of the e-mail system is permitted only on the employee's own time — during lunch or other breaks or before and after normal work hours.

Internet Policy

KPM's computer network, including its connection to the Internet, is principally intended for business-related purposes. Employees may not utilize their Internet connections to pursue any outside commercial activities, to seek other employment, or to pursue illegal activities. Personal use of the Internet should be limited to lunch and other breaks or before and after normal work hours.

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

Users may not establish Internet or other external network connections that might allow unauthorized persons to gain access to KPM's system and information without prior written approval of the Owner.

Voicemail

Voice mail is also not private. The Company reserves the right to access all voice mail messages. As with the use of your computer, messages that violate KPM's policy on discrimination and harassment are strictly prohibited.

J. TELEPHONES, CELLULAR PHONES, PHOTOCOPYING, AND FACSIMILES

Telephone lines must be kept open for business purposes. Personal use of the telephone for long-distance and toll calls is not permitted.

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

Understanding that most employees own personal cell phones and desire to carry them for such reasons as family emergencies – the company cell phone policy has been written to address the following regarding personal cell phone usage during work hours:

Personal cell phones may be carried during working hours but MUST be put to the VIBRATE setting. (This will allow an employee to receive an emergency call but avoid noisy disruption of the different types of cell phone ring styles)

Other than an emergency – personal phone calls and merely “chatting” on your personal cell phone during work hours is STRICTLY PROHIBITED.

Texting: STRICTLY PROHIBITED during work hours.

Employees are expected to focus on their job and to use good judgment and discretion in managing personal affairs so that phone usage is minimal. If any employee’s personal cell phone rings (is not on vibrate) and they are observed talking on the phone when a situation is not, in fact, an urgent matter, they will be disciplined. Additionally, if an employee is caught texting, they will be disciplined. Any manager reserves the right to question your phone call. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

Company equipment may not be used to create or forward any messages that violate the Company’s policy prohibiting discrimination and harassment, its conflict of interest policy, its confidentiality policy or its solicitations/distributions policy.

When using KPM’s property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

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

K. USE OF COMPANY VEHICLES, TOOLS AND EQUIPMENT

KPM’s vehicles, tools and equipment are to be used for business purposes only unless approved by the Owner. You are expected to use proper care when using the Company’s property and equipment.

Operators of Company vehicles are responsible for the safe operations, cleanliness, and maintenance scheduling of the vehicle. All operators of KPM’s vehicles must have a valid driver’s license and qualify for placement on the Company insurance policy. In the event of an

accident, the police must be contacted, and a police report must be secured at the scene of the accident. Accidents involving a Company vehicle must be reported to the Owner or the designated person in charge. Employees are responsible for any moving violations and fines, which may result when operating a Company vehicle. The use of seat belts is mandatory for operators and passengers of KPM's vehicles.

Any misuse or unauthorized use of KPM's vehicles, tools and equipment may subject the user to disciplinary action up to and including termination.

L. 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 direct supervisor regarding safety issues.

Each employee is responsible for ensuring that safe practices are observed in the performance of his or her duties. While the following list is not all inclusive, these general safety practices are to be followed at all times:

1. Alert your supervisor to any conditions which could lead to or contribute to an accident.
2. Notify your Supervisor immediately of any emergency situation and/or accident.
3. Use, adjust and repair machines and equipment only if you are trained and qualified.
4. Turn off or disconnect all equipment when not in use and/or at the end of the day. This includes such things as lights and equipment you may be using in remote areas.
5. The floor is to be kept clear of all debris at all times.
6. Get help when lifting or pushing heavy objects.
7. Understand your job fully and follow instructions. If you are not sure of the safe procedure, don't guess...ask your Supervisor.

All employees will be provided care, first-aid and emergency service, as required, for injuries or illnesses while on KPM premises. Employees should contact their direct supervisor, the nearest hospital, and/or 911 in the event of an accident or emergency.

If an employee is injured on the job, KPM provides coverage and protection in accordance with the Workers' Compensation Law. When an injury is sustained while at work, it must be reported immediately to the employee's direct supervisor and to Human Resources, within 24 hours of the work-related injury or illness. Employees returning to work after being absent due to a work-related injury or illness must report to their immediate supervisor prior to returning to work and must bring a doctor's note authorizing the employee to return to work.

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

M. POLICY PROHIBITING DISCRIMINATION AND HARASSMENT

State and Federal law prohibit discrimination based upon race, color, religion, sex, national origin, disability and age in all employment practices. Harassment of an employee on any of these bases also violates these laws.

The Company strongly disapproves of offensive or inappropriate behavior at work and is committed to maintaining a work environment that is free of unlawful discrimination and harassment. The Company will neither condone nor tolerate any acts of discrimination and harassment, including sexual harassment, either by co-workers, customers or outside visitors and vendors. Appropriate corrective action will be taken if any of these persons are found to have engaged in unlawful discrimination or harassment.

While all unlawful discrimination and harassment is prohibited, sexual harassment is a type of discrimination that is frequently misunderstood and therefore the Company believes that it is appropriate to define it in greater detail. The type of conduct which could be viewed as sexual harassment includes:

1. Unwelcome sexual advances;
2. Requests for sexual acts or favors or demanding or proposing sexual favors in return for promotion, better pay, getting or keeping a job or any other benefit; or
3. Other verbal comments or physical conduct of a sexual nature including crude, off-color jokes, sexually explicit or demeaning photographs or drawings, foul or obscene language or gestures of a sexual nature, and physical conduct such as fondling, pinching, rubbing or touching another person's body.

Not all verbal comments or physical conduct of a sexual nature is necessarily sexual harassment. Employees should, however, treat others with respect at all times. The Company will not tolerate conduct that creates a hostile place to work through unwelcome sexual advances, off-color jokes or other offensive and unwelcome conduct of a sexual nature. All employees must avoid any conduct or communication which could be viewed as sexual harassment.

When an employee who was once involved in a consensual sexual relationship no longer "consents" to the relationship, conduct or advances which had previously been welcome may become unwelcome. These unwelcome advances may constitute harassment in violation of the policy. Employees must immediately report problems with former consensual partners if it is affecting their work environment, just like any other unwelcome advances, comments or behavior.

Any employee who feels that he or she has been subjected to discrimination or harassment by anyone at work, including customers or outside visitors or vendors, must immediately bring the problem to the attention of responsible Company officials. Employees should initially direct their reports to their direct supervisor and/or the Owner. If you feel uncomfortable in addressing your complaint to either of these people or if you believe that

the person to whom you have directed your complaint has failed to properly investigate or remedy your complaint, you should feel free to take up the matter with the Owner.

All employees are responsible for helping keep the workplace free from unlawful discrimination and harassment. Employees who become aware of unlawful discrimination or harassment against other employees must notify their direct supervisor and/or the Owner immediately.

We will do all that we can to make sure that the workplace is free of discrimination or harassment, but we cannot take appropriate action if we do not know that discrimination or harassment has occurred.

All good faith complaints and reports will be promptly and thoroughly investigated. All employees are expected to cooperate in reporting violations of the policy and in assisting during investigations of complaints. Failure to cooperate in an investigation or to report violations may lead to appropriate discipline.

If a violation of this policy is found, appropriate corrective action will be taken, up to and including discharge, in the event that the offender is employed by the Company.

No reprisal, retaliation or other adverse action will be taken against any employee who in good faith reports any unlawful discrimination or harassment or who assists in the investigation of any such matter.

The privacy of the individual making the complaint and of the person accused of harassment will be kept confidential to the extent possible unless we are required to release such information as a result of judicial or administrative proceedings. Knowledge of complaints of sexual harassment will be otherwise confined, to the extent possible, to those persons in the Company who will be involved in the investigation and in evaluating or correcting such complaints.

N. ROMANTIC OR SEXUAL RELATIONSHIPS BETWEEN A SUPERVISOR AND A SUBORDINATE

Consensual "romantic" or sexual relationships between a supervisor and a subordinate employee may at some point lead to unhappy complications and significant difficulties for all concerned. Any such relationship may, therefore, be contrary to the best interests of the Company.

Accordingly, the Company strongly discourages such relationships and any conduct (such as dating between a supervisor and a subordinate employee) that is designed or may reasonably be expected to lead to the formation of a "romantic" or sexual relationship.

By its discouragement of romantic and sexual relationships, the Company does not intend to inhibit the social interaction (such as lunches or dinners or attendance at entertainment events) that are or should be an important part or extension of the working environment.

If a romantic or sexual relationship between a supervisor and an employee should develop, it shall be the responsibility and mandatory obligation of the supervisor to promptly disclose the existence of the relationship to the Owner. The employee may make the disclosure as well, but the burden of doing so shall be upon the supervisor.

The Company recognizes the ambiguity of and the variety of meanings that can be given to the term "romantic." It is assumed, or at least hoped, however, that either or both of the parties to such a relationship will appreciate the meaning of the term as it applies to either or both of them and will act in a manner consistent with this policy.

Upon being informed or learning of the existence of a romantic relationship, the Owner may take all steps that he or she deems appropriate. At a minimum, the employee and supervisor will not thereafter be permitted to work together on the same matters (including matters pending at the time disclosure of the relationship is made), and the supervisor must withdraw from participation in activities or decisions (including, but not limited to, hiring, evaluations, promotions, compensation, work assignments and discipline) that may reward or disadvantage any employee with whom the supervisor has or has had such a relationship.

In addition, and in order for the Company to deal effectively with any potentially adverse consequences such a relationship may have for the working environment, any person who believes that he or she has been adversely affected by such a relationship, notwithstanding its disclosure, is encouraged to make his or her views about the matter known to the Owner.

O. ETHICS AND CONDUCT

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

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

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

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

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

P. CONFIDENTIALITY OF INFORMATION

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

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

- Customer lists
- Marketing strategies
- Financial information
- Pending projects and proposals
- Research and development strategies
- Technological data

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

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

Q. SOLICITATIONS, DISTRIBUTIONS AND USE OF BULLETIN BOARDS

Solicitations and Distributions

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

1. Solicitations by any persons not employed by the Company seeking contributions, payments, funds, and other solicitations or distributions of literature are not permitted on Company property at any time.
2. No Company employee shall be permitted to solicit on behalf of any cause or organization while either the employee soliciting or the employee solicited is on working time. This applies to both work areas and non-work areas.
3. Solicitations by employees are only permitted when both the employee soliciting and the employee solicited are on non-working time.

4. No Company employee shall be permitted to distribute any type of printed matter on behalf of any group or organization in any work area. This rule applies regardless if the employee is on working time or non-working time.
5. Distribution of printed matter is only permitted in non-work areas when both employees involved are on non-working time.
6. The only exceptions to these rules are certain philanthropic causes which the Company sponsors and supports.

Bulletin Boards and Wall Postings

The Company posts important Company information throughout its facility on bulletin boards and walls. These posting are strictly for the purpose of communicating important Company information, including information relating to various federal and state laws. Only management is permitted to post on this bulletin board. Information that is not related to these topics may not be posted and, if posted, will be removed. You are responsible for reading the information posted in your work areas.

R. OTHER EMPLOYEE WORK RULES/DISCIPLINE PROCEDURE

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

The following list, which is not all-inclusive, outlines certain acts and behavior that are not acceptable. In addition, other specific policies listed elsewhere in this handbook outline our expectations of our employees. A violation of any of these rules or policies may make an employee subject to disciplinary action up to and including discharge.

First-level offenses are unacceptable acts and behavior that subject the employee to disciplinary action. In general, the disciplinary action for these types of offenses result in the issuance of written warning notices. The purpose of a written warning is to impress upon an employee the need for corrective action on his or her part.

A repeat of a first-level offense or the commission of additional first-level offenses can result in more severe discipline, such as a suspension without pay or discharge.

Management is responsible for evaluating each case based on its individual facts. Although KPM generally subscribes to the principle of progressive discipline, depending on the nature of the infraction and the surrounding circumstances, the Company may take whatever disciplinary action it deems appropriate including discharge, even if lesser forms of discipline have not yet been attempted. This is particularly true if circumstances indicate that an employee's violation of a Company policy or work rule was deliberate or intentional. Usually the Company will issue disciplinary actions in the following manner:

- First warning (verbal)

- Second warning (first written warning)
- Final warning (second written warning) – may include suspension
- Termination

* Violations of expectations will be grounds for counseling ranging from a verbal warning to suspension or immediate termination.

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

1. Careless or improper use of Company property.
2. Violations of the Attendance/Tardiness Policy.
3. Unauthorized and excessive time away from your work.
4. Inadequate job performance.
5. Failure to meet established quality standards.
6. Failure to meet housekeeping responsibilities.
7. Failure to meet job requirements.
8. Failure to promptly complete accident reports.
9. Failure to wear prescribed safety equipment, take the necessary safety precautions, or adhere to dress code.
10. Lack of attention to job responsibilities.
11. Failure to follow prescribed work procedures.

Second level offenses include behavior of such a serious nature that a first occurrence will normally result in a suspension with a final warning or immediate discharge.

Examples of such offenses are:

1. Violation of the Substance Abuse Policy.
2. Leaving Company property during working hours without informing your direct supervisor and obtaining permission.
3. Falsifying any Company records such as accident reports, insurance claims, personal absence records, time cards, or production reports.
4. Negligence or improper conduct leading to damage of employer-owned property, customer-owned property or the property of other employees.
5. Insubordination.
6. Horseplay.
7. Sleeping on the job.
8. Behavior resulting in customer or employee complaints.
9. Fighting or threatening violence in the workplace.

10. Theft, misappropriation, unauthorized possession or removal of Company's or other's property
11. Refusal to work or perform any work assignment.
12. Unauthorized disclosure of trade secrets or confidential business information.
13. Failure to report an absence for a two-day period without a satisfactory explanation.
14. Violating health or safety rules.
15. Failing to punch in at the beginning of your shift and punch out at the end of your shift.
16. Unauthorized use of Company materials or equipment.
17. Violations of the Company's policy against discrimination and harassment.

Grievance / Employee Complaint Resolution

It is the intent of KPM to treat its employees in a fair, impartial and consistent manner. KPM recognizes however, that an employee may, on occasion, feel that he or she has a work-related problem or disagrees with an employee counseling. KPM therefore is committed to providing its employees with the opportunity to freely discuss situations or incidents concerning such matters, if necessary, through the employee complaint resolution / grievance process.

Appealing terminations: Appeals regarding an employee's termination must be initiated within three (3) days after the employee is formally notified of termination.

All (other) grievances / complaints: All other appeals must be made within ten (10) days of incident or disciplinary action.

EMPLOYMENT TERMINATION

A. REASONS FOR LEAVING

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

It is requested that you will give at least two (2) weeks notice in the event of your resignation. KPM reserves the right to accept any resignation immediately. If you are a member of management, it is requested that you provide at least four (4) weeks' notice. Employees who provide proper notice will receive their unused vacation time. Employees may not use vacation time within the notice period.

Management is defined as an employee that has supervisory/management responsibilities over specific duties or employees.

B. RETURN OF COMPANY PROPERTY

The Owner is responsible for scheduling an exit interview with a terminating employee on the employee's last day of employment and for arranging the return of Company property including:

- Company Credit cards
- Uniforms
- Gas cards
- Phones
- Cell phone accessories
- Company tools
- Company vehicle including all keys
- Any company paperwork, books, manuals
- Office keys
- Any additional Company-owned or issued property.

CLOSING SUMMARY

A. HANDBOOK CHANGES

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

B. SUMMARY

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

KPM, LTD

ACKNOWLEDGMENT OF EMPLOYEE HANDBOOK RECEIPT

(Employee Copy)

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

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

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

To ensure that your understanding of this subject is as complete as possible, please do not hesitate to discuss any human resource policies or procedures with the Owner.

Please acknowledge your receipt of the Employee Handbook by signing below.

Employee's Signature

Date

Employee's Printed Name

Job Title

KPM, LTD.

ACKNOWLEDGMENT OF EMPLOYEE HANDBOOK RECEIPT

(Company Copy)

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

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

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

To ensure that your understanding of this subject is as complete as possible, please do not hesitate to discuss any human resource policies or procedures with the Owner.

Please acknowledge your receipt of the Employee Handbook by signing below.

Employee's Signature

Date

Employee's Printed Name

Job Title