

**WELCOME**

**TO**

**REIMEL MACHINE**

## TABLE OF CONTENTS

SECTION	PAGE
Welcome to Reimel Machine Incorporated	1
Integration Clause and Right To Revise	1
Company History	1 - 2
Your Pay	2
Wage and Salary	2
Pay Periods	2
Payroll Deductions	2
Time Keeping Requirements	2
Worksheets	2
Advances	3
Questions on Your Check	3
Hours of Work	3
Work Schedules	3
Meal and Rest Periods	3
Overtime	3 - 4
Pay Differentials	4
Change In Status	4
Personnel Records	4
Performance Review	4
Employee References	4 - 5
Resignation	5
Authorized Time Off	5
Vacations	5
Holidays	6
Attendance and Punctuality	6
Leaves of Absence	7
Medical Leave	7
Jury Service	7
Time Off for Bereavement	7 - 8
Time Limit	8
Benefits	8
Policy of Reimel Machine Inc.	8
Medical and Dental Care Program	8
Life Insurance	8
Short Term Disability Insurance	8
Worker's Compensation	9
401(k) Program	9
American Heritage Federal Credit Union Membership	9
Shop Rules	9 - 10

## TABLE OF CONTENTS

<b>SECTION</b>	<b>PAGE</b>
Personal Conduct	10
Cooperation with Co-Workers	10
Telephones	10 - 11
Visitors	11
Safety	11
Smoking	11
Good Housekeeping	11
Unlawful Harrassment	11 - 12
Statement of At-Will-Employment Status	12

## WELCOME TO REIMEL MACHINE INCORPORATED

As an employee of Reimel Machine Inc. ("Reimel Machine" or the "Company"), you will find your employment to be both rewarding and challenging.

This employee handbook is designed to familiarize you with our major policies of employment. By reading this handbook, you will better understand the policies and practices of the company in addition to the benefits provided. If you have any questions with respect to this handbook, please consult the Personnel Department.

## INTEGRATION CLAUSE AND THE RIGHT TO REVISE

This Employee Handbook contains the employment policies and practices of Reimel Machine, in effect, at the time of publication for all hourly employees. All previously issued inconsistent policy statements or memoranda are superseded.

Reimel Machine reserves the right to revise, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this handbook or any other document, except for the policy of at-will employment. However, any such changes must be in writing and must be signed by the President of Reimel Machine. Any written changes to this handbook will be distributed to all employees so that employees will be aware of the new policies or procedures. No oral statements, or representatives can in any way alter the provisions of this handbook.

## COMPANY HISTORY

William and Mary Reimel started Reimel Machine in 1962. Working out of his father's garage, as a one-man operation, Bill specialized in Precision Turning. His reputation for providing "high" quality workmanship at a competitive price soon created the demand for expansion. New employees were hired and trained to meet manufacturers', as well as Reimel Machine's, high standards and to meet market needs. In 1969, Reimel Machine was Incorporated.

The growth of the Company has been a direct response to the on-going demands for Precision Machining at reasonable rates. Since the inception of the business in 1962, the Company has expanded **five** times in an effort to meet our customers' needs. This allowed the Company to provide more efficient service in both quantity and variety. Reimel Machine has grown into a complete machining facility, providing Precision Milling, Turning, Honing, Grinding, Assembly, **EDM Wire and EDM Small Hole Drilling**. Our facilities are geared for both prototype and production runs. Also, Reimel Machine is highly skilled in the fields of Welding and Polishing.

Our reputation is based on Quality and Integrity. We take pride in this feeling about our work and direct our efforts towards producing reliable products at reasonable cost.

The Company plans to continue its' growth. Each employee has an important role in this growth and our success will be a reflection of your interest and efforts in your job.

## **YOUR PAY**

### **WAGE AND SALARY**

Reimel Machine's basic wage and salary philosophy is to pay a fair wage. Compensation is based on three factors:

1. Nature of work performed.
2. Prevailing rates in the area for similar work.
3. Performance on the job.

### **PAY PERIODS**

All employees are paid on a weekly basis. Payroll checks are distributed by noon on Wednesdays in order for employees to make timely financial transactions.

### **PAYROLL DEDUCTIONS**

Certain standard deductions are made from your payroll check. These include Social Security, Federal and State Income Tax, State Unemployment Insurance (SUI), Upper Moreland Earned Income Tax and 401k if you choose to participate. The check stub explains these and other deductions.

### **TIME KEEPING REQUIREMENTS**

All hourly employees are required to record time worked via the time clock for payroll purposes. Employees must record their own time at the start and at the end of each work period. Employees also must record their time whenever they leave the building for any reason other than for Reimel Machine business. It is the employee's responsibility to have the timecard accurately and completely filled out prior to the end of the time period. Any handwritten marks or changes on the timecard must be initialed by your Foreman. Punching another employee's timecard, allowing another employee to punch your timecard, or altering a timecard will not be tolerated and could result in disciplinary action.

Employees are also required to record their absences on a Request For Leave of Absence form. This form is stored in the file box next to the time clock and in the Personnel Department. Complete this form, sign and date it, then, return it to your Foreman.

### **WORKSHEETS**

It is extremely important that employees fill out their weekly worksheets accurately. If hours are not logged correctly, everyone loses revenue.

## ADVANCES

Reimel Machine does not permit advances against paychecks or against accrued vacation.

## QUESTIONS ON YOUR CHECK

The Company intends to pay you fairly and correctly. If there is an error on your check, please report it immediately to the Personnel Manager.

## HOURS OF WORK

### WORK SCHEDULES

Production schedules are typically from **6:00 a.m. to 4:30 p.m. for Day Shift**. However, on **Saturdays, Day Shift usually works from 6:00 a.m. to 11:00 a.m. Night Shift is currently scheduled from 4:00 p.m. to 1:30 am Monday through Thursday and 4:00 pm to 12:00 a.m. on Fridays**. Your Foreman will assign your individual work schedule. All employees are expected to be at their work stations at the start of their scheduled shifts, ready to perform their work **unless special arrangements have been authorized by your foreman**.

Exchanging work schedules with other employees is prohibited. If it is necessary to alter your schedule, please notify your Foreman, whom may authorize this, if possible. Work schedule changes will not be approved for mere convenience, nor, if the change will result in disruption or interference with normal operations or results in overtime.

### MEAL AND REST PERIODS

Employees are provided with a thirty (30) minute meal period. Meal periods are scheduled as follows:

Day Shift between 12:30 p.m. and 1:00 p.m.

Night Shift between 8:00 p.m. and 8:30 p.m.

**As of August 16, 2004, employees will no longer be given ten (10) minute rest periods for every four (4) hours worked. Federal law and Pennsylvania's law does not require employers to have these rest periods.**

### OVERTIME

As necessary, employees may be required to work overtime. For purposes of determining which hours constitute overtime, only actual hours worked in a given workday will be counted. Reimel Machine will attempt to distribute overtime evenly and accommodate individual schedules.

All overtime work must be previously authorized by your Foreman. Reimel Machine provides compensation for all overtime hours worked by hourly employees in accordance with State and Federal law.

All hours worked over forty (40) hours in one week will be treated as overtime. A workday begins at midnight and ends twenty-four (24) hours later. A work week begins each Sunday at midnight.

Compensation for hours in excess of forty (40) for the work week shall be paid at a rate one and one-half times the employee's regular rate of pay.

### **PAY DIFFERENTIALS**

**All employees who are scheduled to work Night Shift, 4:00 p.m. to 1:30 p.m., four (4) days a week and from 4:00 p.m. to 12:00 p.m., one (1) day a week, shall receive a pay premium (or pay differential) in the amount of ten percent (10%).**

### **CHANGE IN STATUS**

#### **PERSONNEL RECORDS**

It is important that all information in your personnel file be up-to-date. Notify the Personnel Department promptly if there is a change in:

1. Name, address or telephone number
2. Marital status
3. Number of dependents
4. Additional education
5. Person to be notified in case of emergency
6. Your beneficiary under any of our benefit programs

Only the Personnel Manager is authorized to release information about current or former employees. Disclosure of personnel information to outside sources will be limited. However, Reimel Machine will cooperate with requests from authorized law enforcement and local, state or federal agencies.

#### **PERFORMANCE REVIEW**

Proper job performance is a matter of utmost importance, to both you and the Company. Your Foreman will review your performance on a regular basis. Feel free to discuss your performance with your Foreman at any time.

#### **EMPLOYEE REFERENCES**

All requests for references must be directed to the Personnel Manager. No Foreman or employee is authorized to release references for current or former employees. Reimel

Machine's policy concerning references for employees who have left the Company is to disclose the dates of employment and the title of the last position held. If you authorize disclosure in writing, the Company will also provide a prospective employer with the information on the amount of salary or wage you last earned.

## RESIGNATION

Although the Company is always sorry to lose a good employee, we realize that personal circumstances may make resignation necessary. To maintain efficient operations, we ask that you give at least two (2) weeks notice in writing before leaving. You must fill out a Notice to Employee as to Change in Working Relationship with Reimel Machine Inc.form.

## AUTHORIZED TIME OFF

### VACATIONS

Reimel Machine's vacation schedule begins on January 1st and ends on December 31st of every year except in the case of a new employee. New employees who start employment before September 1st, qualify for one (1) week of vacation the following year **which can be taken as of June 1st. Employees who start employment after September 1st are entitled to one (1) day vacation after every ten (10) weeks of service accumulated until June 1st. This vacation time can be taken as of June 1st. These employees are entitled to one (1) week vacation the following year.** Vacation weeks should be submitted and approved by your Foreman at least one month ahead of time. **Individual days off must be approved by your Foreman. A minimum of three days notice is encouraged to maintain our production flow. There is no carry over of vacation time from year to year. Requests for end of the year vacation time should be submitted no later than November 30<sup>th</sup>.**

Only full-time (40 hour per week) Reimel Machine employees are entitled to the following amounts of vacation:

- 40 hours (1 week) of vacation for one (1) year of active service
- 80 hours (2 weeks) of vacation for two (2) through six (6) years of active service
- 120 hours (3 weeks) of vacation for seven through fourteen (14) years of service
- 160 hours (4 weeks) of vacation for fifteen (15) years of service and above

Active service commences with the first day of work as a Reimel Machine employee and continues, unless broken by an unpaid leave of absence. Employees may utilize five (5) days a year of their accrued vacation time as personal days, as long as your Foreman approves it.

## HOLIDAYS

Reimel Machine Inc. observes the following paid holidays each year:

New Year's Day	Thanksgiving Day
Easter Monday	Day After Thanksgiving
Memorial Day	Day of Christmas Eve
Fourth of July	Christmas Day
Labor Day	

**Christmas Luncheon Day: Day Shift employees work six (6) hours and are paid for eight (8) hours. Night Shift employees work (5) hours and are paid for eight (8) hours.**

Employees must work qualifying **eight (8) hour minimum** work days, before and/or after the holiday(s), in order to be paid for the holiday. These qualifying days will be posted. Holiday pay will be based on the employee's regular rate of pay for eight hours. **New employees must work a minimum of thirty (30) days to be eligible for holiday pay.**

If a holiday falls on a Saturday or Sunday, the Company reserves the right to determine when it will be observed. This includes the right to pay in lieu of time off.

## ATTENDANCE AND PUNCTUALITY

**Any lateness or absence must be called in by the time your shift starts. Excess lateness or absence is not acceptable.** Absences due to illness are understandable. However, extensive and unnecessary absences are unfair to your fellow workers and seriously affect the Company's ability to function properly. You should take every reasonable step to maintain your health and well being. If you must be absent, notify your Foreman immediately, explaining why you will be absent and the approximate duration of your absence. When you return to work from an illness absence, fill out a Request for Leave Form and give it to your Foreman.

If an employee is sick for three (3) consecutive days, they must present a doctor's note, for the absence to be considered an excused absence. The supervisor may require a doctor's note when absence due to illness appears too high. However, doctor's notes in and of themselves do not excuse the employee from maintaining a good attendance record. With or without a doctor's note, the company will review absence on a case by case basis and determine the appropriate action.

**NOTE: An employee who is absent for three (3) consecutive days without contacting Reimel Machine Inc. will be terminated as a voluntary resignation without notice.**

## LEAVES OF ABSENCE

The Company realizes there are circumstances which require employees to take time off. Requests for leaves of absence should be discussed with your Foreman. Each request for leave will be considered on the basis of personal circumstances, and the needs of the work situation. All leaves are subject to approval by Reimel Machine, prior to departure, except in cases of accident or emergency beyond the control of the employee.

Leaves of absence will be granted for the following situations:

### Medical Leave

A medical leave of absence without pay may be granted for **non-work related temporary medical disabilities** (including but not limited to pregnancy, childbirth and other medical conditions) for up to four (4) months with a doctor's written certificate of disability. Requests for leave should be made in writing as far in advance as possible.

A medical leave begins on the first day your doctor certifies that you are unable to work and ends when your doctor certifies that you are able to return to work or after a total of four (4) months leave, whichever comes first. An employee returning from a medical disability leave must present a doctor's certificate showing fitness to return to work.

When you return from a non-work related medical leave you will be offered the same position that you held at the time of leaving, if available. If this position is not available, a comparable position will be offered. If neither the same nor a comparable position is available, your return to work will depend on job openings existing at the time of your scheduled return. There are no guarantees of reinstatement and your return will depend on your qualifications for existing openings.

### Jury Service

If an employee is called for jury service, he/she should notify his/her Foreman immediately and provide a copy of the jury summons to the Personnel Office. In order to help you avoid financial hardship, Reimel Machine will pay the employee's regular straight time pay, not to exceed eight (8) hours per day, for a maximum of three (3) days. In order to receive this pay, you must submit evidence of having served, such as a stub from the court stipend, to the Personnel Office.

### Time Off for Bereavement

If a death should occur in your immediate family (spouse, children, parents, or spouse's parents) you may be excused from work to attend the funeral, without loss of straight time earnings, up to a total of three (3) regularly scheduled work days. One (1) paid day will be granted to attend grandparents' and siblings'

funerals. Weekends and holidays are not to be computed as bereavement days for compensation.

#### Time Limit

Leaves and lay-offs cannot extend beyond one year. At the end of one year, the individual will have a loss of seniority and his/her employment will be terminated.

### BENEFITS

#### POLICY OF REIMEL MACHINE INC.

Reimel Machine Inc. has established programs to provide for your security and to allow you to share in the profits of the Company. These programs are briefly described below.

#### MEDICAL CARE PROGRAM

Reimel Machine Inc. provides an opportunity for a comprehensive medical insurance plan for employees and their dependents. Each member of your family chooses his or her own participating primary care physician. There is a waiting period of **60 days** to be added onto the policy.

If you are covered under your spouse's medical insurance, you may choose to decline our medical coverage in lieu of being compensated with a **\$300.00** additional payroll check per month which will have standard deductions taken from it. Proof of insurance is required. Please inform the Personnel Department.

**If your employment with Reimel Machine Inc. ends for any reason, you may choose to enroll in Cobra at your own expense. Cobra benefits are available for 18 months for those individuals who are terminated, layed-off or quit.**

#### LIFE INSURANCE

Reimel Machine Inc. has a group policy life insurance plan through **Met Life Insurance**. This policy is designed to provide financial help for employees' families in case of death. The scheduled benefit for employees is **\$25,000**. Employees will become eligible on the date you complete one month of continuous active work. In some instances, proof of your good health will be required to place your insurance in force.

#### SHORT TERM DISABILITY INSURANCE

If you are disabled and otherwise qualify, benefits will be payable to you during each week of a payment period **for up to six months (twenty-six weeks)**. The benefit payable for each week of a payment period will be sixty percent (60%) of your covered weekly compensation and not less than **twenty dollars (\$20.00)**. Eligibility occurs after one month of continuous active work.

## WORKER'S COMPENSATION

Reimel Machine Inc. is fully insured to protect you in case of an accident at work. All medical and surgical bills will be paid. There are provisions for payment of weekly benefits while you are absent due to injuries resulting from work. This benefit is paid for entirely by the company.

## 401(k) PROGRAM

Reimel Machine Inc. has instituted a 401(k) Plan **through Principal Financial Group** to reward efforts made by employees which contribute to the overall success of the Company. The purpose of the plan is to help you build financial security for your retirement and to help protect you and your beneficiaries in the event of death or disability. Your contribution, as well as Reimel Machine's 401 (k) matching contribution **of up to 2%**, is based on each employee's compensation. Employees will become eligible to participate after attaining age twenty-one (21) and completing one (1) year of service. Details on the program will be explained when you reach your first employment anniversary.

## AMERICAN HERITAGE FEDERAL CREDIT UNION MEMBERSHIP

Reimel Machine Inc. employees are eligible for membership at American Heritage Federal Credit Union. Credit Unions are member-owned, not-for-profit cooperative associations.

They offer lower rates, higher savings and fewer fees to members. Membership information is available in the Personnel Office.

## SHOP RULES

The following conduct is prohibited and will not be tolerated by Reimel Machine Inc. This list of prohibited conduct is illustrative only: Other types of conduct injurious to security, personal safety, employee welfare and Reimel Machine's operations is also prohibited.

1. Falsification of employment records, employment information or other Company records.
2. Recording the work time of another employee or allowing any other employee to record your work time, or allowing falsification of any timecard, either your own or another employee's.
3. Theft, deliberate or careless damage of Reimel Machine Inc. property or the property of any employee or customer.
4. Removing or borrowing any Reimel Machine Inc. property without prior authorization.
5. Unauthorized use of Reimel Machine Inc. equipment, time, materials, or facilities.
6. Brawling or fighting on Company premises.

7. Carrying firearms or any other dangerous weapons on Reimel Machine Inc. premises at any time.
8. Engaging in criminal conduct whether or not related to job performance. This includes the use, possession and/or sale of illegal substances.
9. Causing, creating or participating in a disruption of any kind during working hours on Reimel Machine Inc. premises.
10. Insubordination, including but not limited to, failure or refusal to obey the orders or instructions of a Foreman or Member of Management, or the use of abusive or threatening language toward a Foreman or Member of Management.
11. Using abusive language at any time on Reimel Machine Inc's premises.
12. Failure to notify a Foreman when unable to report to work.
13. Unreported absence of three (3) consecutive scheduled workdays.
14. Failure to obtain permission to leave work for any reason during normal working hours.
15. Failure to observe working schedules, including rest and lunch periods.
16. Failure to provide a physician's certificate when requested or required.
17. Sleeping or malingering on the job.
18. Working overtime without authorization.
19. Violation of any safety, health, security or Reimel Machine Inc. policies, rules or procedures.
20. Committing a fraudulent act or breach of trust under any circumstance.
21. Unlawful harrassment.
22. Making or receiving personal telephone calls on company time.
23. Smoking in buildings.
24. Any neglect of duty.
25. An employee is not to enter the company's facilities or remain on the premises unless he/she is on duty or scheduled for work. In addition, employees are required not to arrive more than thirty (30) minutes prior to the beginning of the workday and are required to leave the premises within fifteen (15) minutes of the end of the workday.
26. **Failure to wear safety glasses and shoes with oil resistant soles while in the shop areas.**

## PERSONAL CONDUCT

### COOPERATION WITH CO-WORKERS

Understanding and cooperation will make the work day much more pleasant for everyone. In order to prosper and grow, we must learn to work together effectively.

### TELEPHONES

Telephone communication is the company's vital link with its customers, suppliers, and employees. Company telephones are not to be used for personal calls or personal business, except in emergency situations. If you have to make an emergency call, you should notify your Foreman. Also, request that your friends and relatives do not call you

at work except, in the case of emergency. **In the spring of 2004, pay phones were removed from the premises due to the rising costs from providing this service.**

#### VISITORS

Personal visits of friends or relatives during working hours are to be avoided except in unusual circumstances. This rule must be followed to provide an orderly and safe operation.

#### SAFETY

The Company is concerned about the safety and well-being of its employees. For this purpose, every reasonable provision is made to maintain safe operating conditions. All employees play an important part in our safety program by observing safety rules and reporting unsafe conditions to his/her Foreman. **Our Safety Committee meets quarterly to address safety issues. This Committee is made up of employees and supervisors whose mission is to identify hazards throughout the work place and work on controlling these hazards or reducing the severity associated with them.**

#### SMOKING

Smoking is prohibited inside the buildings. A smoke free work place is important because of the nature of the products we produce. Employees may smoke outside of the buildings on their breaks and lunch times. Please remember that carelessness in smoking can be a major hazard.

#### GOOD HOUSEKEEPING

Reimel Machine endeavors to maintain the very best possible work conditions at all times, and has earned the reputation of maintaining a clean and safe place in which to work. This reputation is the result of the cooperation received from every employee. We depend on your cooperation in observing the general rules of tidiness and good housekeeping. Remember, a clean shop, bathroom and office are safer and better work places.

### UNLAWFUL HARASSMENT

Reimel Machine Inc. is committed to providing a work environment free from discrimination. Company policy prohibits unlawful discriminatory practices in employment because of race, color, religion, ancestry, age, sex, national origin, non-job related handicap or disability. Reimel Machine Inc. believes the workplace should be free of harassment, therefore, harassment will not be tolerated.

Sexual harassment includes any unwelcome advance, verbal or physical conduct of a sexual nature that affects an employee's job security or work performance, or creates an intimidating, hostile offensive workplace situation.

Sometimes an incident of this nature can be quickly remedied. Any employee who finds a person's behavior or language to be offensive may choose to ask them to stop. If the conduct continues, and/or the employee prefers not to deal directly with the offender, he/she should report it to his/her Foreman. However, if that individual is the alleged harasser, or there are other reasons not to report the matter to the employee's Foreman, the complaint should be reported to the Personnel Department.

Complaints concerning a discriminatory working environment, sexual advances or other discriminatory practices will be investigated promptly. Reasonable measures will be undertaken to preserve the confidentiality of information that is reported during the investigation. Employees reporting instances of harassment will not be subject to retaliation. Employees should recognize, however, that the consequences of unfounded allegations can have serious effects on innocent men and women. Employees should, accordingly, act responsibly.

Any employee found to have engaged in harassment shall be subject to discipline which may include termination of employment.

#### **STATEMENT OF AT-WILL-EMPLOYMENT STATUS**

Employment at Reimel Machine Inc. is employment-at-will. Employment-at-will may be terminated, with or without cause, and, with or without notice, at any time by the employee or by Reimel Machine Inc. Nothing in this handbook, or in any document or statement, shall limit the right to terminate employment at-will. No Foreman or employee of the Company has authority to enter into any agreement for employment, other than at-will. Only William Reimel, the President of Reimel Machine, has the authority to make such agreement and then only in writing.