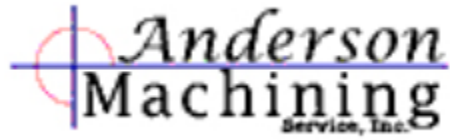


Anderson Machining Service, Inc.



**Employee Handbook
effective as of 11/01/2008**

Changes in Policy

The policies contained in this employee handbook may be changed when, in the opinion of management, circumstances require it. While it is our intention to provide you with advance notice of any changes, it may

not always be possible. Therefore, don't consider this to be a fixed contract. Keep in close communications with your supervisor to be sure you are up to date and recognize that changes in policy are determined by management. This handbook was last revised November 1, 2008.

Table of Contents

Anderson Machining Service, Inc. addresses & phone numbers.....	4
Introduction.....	5
Starting on the Job.....	6
Shift hours-6 Attendance-6 Lunch Breaks-6 Overtime-6 Time Cards-6	
Employment Categories.....	7 & 8
Employment Categories-7 Prob. Categories-7 Supervisor as Resource-7	
Anniversary Date-7 Seniority-7 Flexibility-8 Info Changes-8	
Personnel File-8	
Requirements for Employees.....	9
Payroll & Building Policies.....	10 & 11
Payroll Schedule & Direct Deposit-10 Compensation-10 Deductions-10	
Bus. Exp. Reimbursement-10 Reviews-10 Visitors-11 Personal Property-11	
Rules of Conduct.....	11 & 12
Resolutions-11 Tobacco-11 Violence & Weapons-11 Harassment-12	
(ADA) Policy-12	
Company Property.....	12 & 13
Confidentiality-12 Security-12 Keys-12 Office Supplies-12	
Personal Calls-13	

Telephone & Computer

Use.....13

Personal. Comm.-13 Computers-13 Internet-13

Benefits.....14 & 15 & 16

Eligibility-14 Holidays-14 Personal Days-14 Vacations-15
Group Med. Ins.-15 Health Ben. Cont.-15 401k-16 COBRA-16

Policies for Leave of

Absence.....16

FMLA-16 Bereavement-16 Jury Duty-16 Military Duty-16

Safety

Policies.....17

Safety Shoes-17 Safety Glasses-17 Hearing Protection-17

First Aid Kit & First Aid

Precautions.....18

General Safety Rules.....18 & 19

Worker's Compensation & Return to Work Policy & Medical Emergency Policy.....19 & 20

Emergency Evacuation Procedure.....20 & 21

Evacuation Emergency-20 Weather Emergency-21

Discipline

Policies.....21

Problem Resolution-21 Violation of Company Policy-21

Correction Action Policy.....22 & 23 & 24

**Minor Violations-22
Suspension-24**

**Major Violations-22
Termination of Employment-24**

Corrective Counseling-23

**Anderson Machining Service, Inc. Hazard Communication
Program.....25-27**

**Anderson Machining Service, Inc. Lockout/Tag Out
Program.....28-32**

**Insurance Benefit
Rates.....33**

**401 k Retirement
Plan.....34**

Employee Referral Policy

**Employee Referral Policy.....35
&36**

Employee Signature Sheets

**Handbook Recognition & Confidentiality
Agreement.....37**

**Absence
Agreement.....38**

**Anderson Machining Service, Inc. Main Office
211 Collins Rd.
Jefferson, WI 53549
Phone: 920-674-6003
Fax: 920-674-3148**

Anderson Machining Service, Inc. Whitewater

369 N. Newcomb St.

Whitewater, WI 53190

Phone: 262-674-6003

Fax: 262-472-0298

Anderson Machining Service, Inc. Absence Call in Line

Phone: 920-675-2000

For life-threatening emergencies call 911.

For facility emergencies call:

Susan & Ron Anderson

Home (920) 563-7687

Sue's Mobile (920) 728-2060

Ron's Mobile (920) 728-2059

Chris Feller (CI Director)

Chris's Mobile (262)490-5580

Kyle (IT)& Shawyn Anderson (HR)
Manager)

Home (262) 473-2605

Kyle's Mobile (920) 675-6462

Shawyn's Mobile (920) 728-2058

Reggie Roehl (maintenance

Reggie's Mobile (920) 253-7014

Welcome to Anderson Machining Service

Our mission at Anderson Machining Service, Inc. is to provide the highest quality products and services, delivered on time, at a fair price, exceeding customer expectations. We strive to provide our employees with a superior work environment in which they may prosper financially as well as personally.

AMS was founded in 1980 with a firm belief that each individual worker, supplier, and customer must be treated with honesty, fairness, and personal respect. All decisions that you make which affect this company, are to be guided by these principles.

We are in business to create value and competitive advantage for our customers in a world market. To accomplish this we continuously work to improve communication and refine our processes. You will find that we are committed to seeking out and implementing state of the art technologies in machining tools and practices. We believe that as an employee of Anderson Machining Service, Inc. you are offered a valuable opportunity to learn and grow in the machining industry.

The following pages contain information regarding many of the policies and procedures of Anderson Machining Service, Inc. These policies are a condition of employment. Labor relation laws require all employers maintain a written policy that is applied non-indiscriminately to all employees.

All employees are what the law terms “at will” employees. This means that your employment is a matter of continuing agreement between you and the company. Either you or the company may decide to end your employment here for any reason not prohibited by law at any time.

Each area you will work in has additional procedures for many of the general policies stated in the handbook. You are expected to learn each specific area’s work procedures and comply with them. You are also expected to conform to the professional standards of your occupation. Please direct any questions to your supervisor, Human Resources professionals or senior management.

The policies stated herein are subject to change at any time at the sole discretion of the company. The entire content of this handbook is available through the company’s website www.amscnc.com or in Plexus under Quality/Document Control System/Training Aids and Files/Human Resources/Employee Handbook

Susan Anderson
President

Starting on the Job

Operating Policies and Procedures

Shift Hours

The shift hours at Anderson Machining Service, Inc. are as follows:

Office Hours: 8:00 AM to 4:30 PM **First Shift:** 6:30 AM to 3:00 PM

Second Shift: 2:30 PM to 11:00 PM **Third Shift:** 10:30 PM to 7:00 AM

*Shift hours are subject to change depending on fulfilling the customers demands.

Work Schedule Requirements

With variations in work load based on demand from our customers, it is our responsibility to meet critical deadlines, sometimes with little notice. As a result, you may be required to work overtime be it pre-planned or spontaneous. Overtime may be mandatory when necessary, it is a condition of employment.

Attendance

Regular attendance is essential to Anderson Machining Service, Inc. Efficient operation is a necessary condition of employment. When employees are absent, schedules and customer commitments fall behind, and other employees must assume added workloads. Absence in excess of 40 hours occurring within a 12 month period will be considered during pay reviews. Employees are expected to arrive at work before they are scheduled to start, and be at their workstation to clock in by the scheduled start time. Anderson Machining Service, Inc. views attendance as one of the most important facets of your job performance review. All unapproved absences will be noted in the employee's personnel file. Excessive absences, including for Sick Leave, will result in disciplinary action, up to and including termination.

An employee will be considered absent for:

- Not reporting to work within one hour from the starting time of shift.
- Not calling in to the employee call in line and leaving a message.
- Leaving work prior to the scheduled end of the shift.
- Failure to report to work for overtime after agreeing with your supervisor to work overtime.
- Not being available to work normal scheduled work hours.

An employee with 3 straight call ins for illness will require a doctor's excuse to return to work.

An employee will be terminated for 3 no call/ no shows. We will assume you have left your position here at Anderson Machining Service, Inc.

Attendance and tardiness will also be influential in filling job openings and available overtime.

Lunch Breaks

Regardless of shift worked, all employees are required to take a lunch break. Lunch breaks are for 30 minutes. Schedules may vary from employee to employee based on work schedule and from one department to another. It is the responsibility of your immediate supervisor to establish your lunch break schedule.

Overtime

Non-exempt employees under the Fair Labor Standards Act are eligible for overtime for all hours worked in excess of 40 in any workweek. All overtime must be approved in advance by your shift Superintendent. Overtime is paid at the rate of one and one half times (1 ½ x) your regular hourly rate of pay. No lunch, sick, or holiday is included in calculating overtime.

Time Cards

All employees are required to submit daily computerized Plexus time cards reflecting hours worked unless authorized to be exempt.

Employment Categories

The company categorizes employees in the following categories: **1. Regular Full-Time Employees:** An employee who has completed the probationary period and is regularly scheduled to work at least 30 hours per week. Full time employees are considered eligible for employee benefits. **2. Regular Part-Time Employees:** An employee who is regularly scheduled to work less than 30 hrs per week. Unless otherwise specified or as required by law, regular part-time employees are not eligible for employee benefits. **3. Temporary Employees:** An employee who is hired for a temporary period, generally less than six (6) months. Temporary employees should have no expectation of continued or regular employment and cannot become a regular employee unless such an offer of regular employment has been made to the employee. Unless otherwise specified or as required by law, temporary employees are not eligible for employee benefits. **4. Non-Exempt and Exempt Employees:** The federal Fair Labor Standards Act classifies employees as either non-exempt or exempt for the purpose of minimum wage and overtime requirements. Under federal law, non-exempt employees are entitled to minimum wage and, if they work more than 40 hours in a workweek, overtime. Your job duties determine whether you are exempt or non-exempt. Generally, hourly employees are non-exempt employees and salaried employees, such as administrators, executives and professionals, are exempt.

In all cases management reserves the right to hire or not hire at their sole discretion. In the event a temporary employee is offered a regular position, their 90 days of temporary service will fulfill their probationary period. Health benefits will start the following month, all other elective benefits will start after 60 days.

Probationary Period

Your probationary period will last 60 days. The probationary period is a time to learn about your job and become familiar with your surroundings. During this time, your performance will be closely evaluated by your immediate supervisor, to ensure that you know and meet expected standards. Absences more than 24 hours during the probationary period will result in termination.

Using Your Supervisor as a Resource

Your supervisor is your key resource concerning Anderson Machining Service, Inc. policies and procedures. If you have any questions about how a policy applies consult your supervisor. Your progress is a key concern to your supervisor. Never hesitate to ask questions or seek your supervisor's advice and guidance.

Anniversary Date

Anderson Machining Service, Inc. defines your anniversary date as the first day on the job as an AMS employee. Once you are officially offered a position with the company and you begin receiving your paycheck from AMS, you are an AMS employee.

Seniority

Seniority is the length of your continuous service at Anderson Machining Service, Inc. from your anniversary date. Seniority may be considered in determining choice of vacation and holiday scheduling, in staff reduction decisions, shift changes, and in eligibility for certain benefits.

You lose your seniority if you:

- Resign or are discharged

- Do not return to a company position within 30 days after the expiration of a layoff period
- You do not lose your seniority because of the following absences:
- Military service
- Jury duty
- Layoff, provided you obtain another position within the time provided for layoff status
- Family Medical Leave of Absence (FMLA)

Flexibility

Anderson Machining Service, Inc.'s philosophy is for people to help where needed. Frequently, employees from one department temporarily help in another department based on workload. AMS, Inc. also encourages you to apply for posted positions and to transfer between departments. The more flexible you are, the more contribution you can make to the customer, and the more interesting and challenging your work is.

Reporting Personal Information Changes

Employees must notify Human Resources whenever there is a change in their personal information on file with Anderson Machining Service, Inc. This includes address, phone number, income tax withholding information, emergency contacts and if applicable, any information which may impact your insurance coverage. This will also include direct deposit information.

Personnel File

Anderson Machining Service, Inc. will maintain a confidential personnel file for each employee. Files are controlled by Human Resources. Employees must acquire permission to view his or her personnel file from Human Resources. These files are the property of Anderson Machining Service, Inc.; no documents may be altered or removed by the employee. Every reasonable effort is made to keep the information confidential; access is limited to staff members who require access to perform their job functions. Copies will not be distributed to any third party unless mandated to do so by a court of law.

Requirements for all Employees

The common sense disciplines listed here for your consideration are habits to be developed by employees of all Operator and Machinist Skill Classifications. They are basic rules of conduct and consideration of your fellow employees and customers. They are as follows:

1. **ALWAYS INSPECT YOUR FIRST PART.** Always completely inspect the first part or parts you produce to assure that the operator prior to you has not made a mistake. It takes a little more time, but it must be done!
2. **KEEP PARTS FREE OF CHIPS.** When placing parts in containers, make sure they are free of chips, burrs or any debris. The customer employs us all and pays a premium price to us to perform a premium service. We must provide attractive, accurate parts. If you wouldn't want to buy the part, the customer probably wouldn't want to either.
3. **NEVER PUT DEVIANT PARTS IN THE BOX WITH "GOOD".** We are all human, we all make mistakes, and we just don't ship them to the customer. If you make a mistake, tell us. People don't lose their jobs over honest mistakes unless they repeat them often. Learn from your mistakes, but never let them go to a customer. Knowingly putting deviant material in with good parts will result in immediate termination.
4. **PICK UP YOUR WORK AREA.** At the end of the day, leave your area clean and ready to go. Use the Golden Rule. You wouldn't want to come to a filthy work cell, so don't leave one. Make sure there is enough coolant and oil in the machine and do the required preventative maintenance at the end of the day so that the following operator can concern themselves with the quality of the part and process. It's common courtesy and it's the rule.
5. **OBSERVE PREVENTATIVE MAINTENANCE PROCEDURES.** A well running cell will make your job go better. In most cases, you will find a description of the machine and work-holding/fixture maintenance in the back of the cell logbook. If it's not there, ask your supervisor for a rundown. You should familiarize yourself with what has to be done to keep your cell in good working order. Check to see if the coolant and oil have been added to the machine/s and if there is anything else to be done. Let the next operator know what you have done by noting it in the logbook.
6. **ALWAYS REPORT PROBLEMS/REPORT PROBLEMS EARLY.** Problems encountered during the day should, at the very least, be recorded in your logbook. If the problem causes lost production time and you are unable to maintain the scheduled production rate, inform your supervisor within the first hour.

7. **LEARN THE PROCESS.** The QC-5 (first article) quality document is a good place to start. It references PR-process routing documents and is revision sensitive to the customer purchase order. If you still have questions or need clarification-ASK. This is a complicated business. We make an effort to cross train every operator to do a variety of jobs. In this way an operator can grow in experience and have an opportunity to advance. When you haven't had the opportunity to run a job for a time you may need to re-acquaint yourself with some seemingly obvious things. Take time to read the process routings provided, feel comfortable seeking the answers you need. The only stupid questions are the ones that were not asked.
8. **USE THE CORRECT HAND TOOLS.** Temporary employees can sign the common tools they will need out of the tool room. See your supervisor about these loaners. They are to be returned daily. Once you become an employee, you are required to have your own tools. The list of tools required is described on page 22. Also included is a purchase option. Tools not on the list but required for a job will be provided.
9. **SHARE WHAT YOU KNOW.** Share it with new people, with other shifts, with your supervisor and with your company. Accurately complete your time cards, your logbook, your first article, your deviant material tags, your bin tags, and your SPC entries.
10. **SPEAK USING THE CORRECT TERMINOLOGY.** Take the time to learn and use the machine shop jargon. The machining business is a very precise business. Be professional and you will gain respect.

Failure to follow these rules can result in disciplinary action. Following these rules can result in a successful career in machining. So follow the rules.

This information will be imparted to you by your supervisors, Quality Technicians, and senior employees. These people can be busy, if you want to learn, you have to ask. The knowledge is out there, but you have to take the initiative to attain it. When you receive instruction, take notes and ask questions. Make sure you understand not only HOW to perform these tasks, but also WHY they are done the way they are. All the instruction you will receive is valuable and should be treated that way. Your advancement is up to YOU. If you are having trouble getting the knowledge you require, speak to someone in management.

Again-it is up to you to take the initiative.

Payroll Schedules & Direct Deposit

Employees are paid on a weekly basis. The pay period begins on a Monday and ends the following Sunday. Your paycheck will be deposited directly in the account/s you have provided to payroll. Employees will not receive a pay stub; they have access to the information via www.fidelity.com. If an employee does not have access to the web, AMS may provide them with a printed copy. In the event payday falls on a holiday, your paycheck will be deposited before the holiday. Federal, state, and any other required taxes will be withheld from wages as will any voluntary deductions.

Compensation

Compensation for employment is based on performance. Rates are established by mutual agreement between the employee and Anderson Machining Service, Inc. Raises are based on performance, growth and productivity. All

requests for salary increases and/or promotion will be fairly considered by supervisors and Management. Employment is based on an as-needed basis. Employees are not guaranteed tenure.

Wage and Salary Disclosure

Compensation programs are confidential between the employee and Anderson Machining Service, Inc. Disclosure of wages or compensation to any third party or other employee is prohibited and could be grounds for termination.

Payroll Deductions for Federal Tax, State Tax, FICA, and Medicare

The following are mandatory payroll deductions: Federal Income Tax Withholding, Social Security Withholding, Medicare Withholding, State Income Tax Withholding, Garnishments by Court Order. Voluntary payroll deductions offered are: Health, Dental, Short and Long Term Disability, 401 (k) Retirement Plan (if applicable), two Life Insurance plans and a flexible savings plan. Some deductions may use a pre-tax 125 plan. Any questions regarding your paycheck or deductions listed should be directed to the HR department.

Business Expense Reimbursement

The company will reimburse employees for expenses, which are directly related to business including: travel expenses, office supplies, and mileage incurred while traveling on business. Employees must submit receipts for all expenses. Employees should consult with their manager prior to business trips to confirm eligible expenses. Please consult HR for information on the process.

Performance & Evaluation Reviews

Bi-annual performance and evaluation reviews will outline the competencies you need to know and perform your job functions successfully. Your contributions to your department and Anderson Machining Service, Inc. are also reviewed and documented. Your supervisor will discuss job requirements for your duties and identify your specific skills. Together you will establish plans for your growth and development. All performance reviews will become permanent part of your personnel file. New employees will receive a review after their 60 day probationary period.

Parking

Anderson Machining Service, Inc. employees are required to park in the employee parking area. All other parking is reserved for customers and visitors.

Bulletin Boards

Bulletin boards placed in designated areas throughout the facility display notices and announcements for employees to review. It is the responsibility of each employee to review the bulletin boards daily to be aware of information posted.

Food & Beverage

Without exception, food and beverage is strictly prohibited within immediate proximity of any computers, servers, related hardware, application storage areas or production equipment. In all other areas, employees should be mindful of potential business visitors within the work area. Meals should be eaten in the specified break area.

Conservation & Recycling

Conserving energy and resources is a priority at AMS. Employees are required to conserve power and water in all reasonable ways. Recycling containers are provided throughout the facility for collection. Containers are marked for various materials. Please be certain to separate all recyclables and put them in appropriate containers.

Visitors

Due to the nature of our business, security clearances and non-disclose agreements with our clients, visitors are not allowed in production or restricted areas. All visitors who are not visiting for business purposes will be restricted to the regular lobby area. All business visitors must have authorization and have signed the visitor log book in the lobby to enter production areas. The authorized employee that approved or requested their visit will be responsible for that individual. The AMS authorized employee must make sure they are aware of the applicable safety and operational policies and procedures. See your immediate supervisor for authorization. Notify a supervisor immediately if you become aware of any unauthorized visitors.

Personal Property

Anderson Machining Service, Inc. is not responsible for personal property of employees in facilities, vehicles or parking areas. Any personal items brought on premises deemed inappropriate by Anderson Machining Service, Inc. will be removed without notice. As always, be considerate of the company's image as well as your image with customers and co-workers.

Rules of Conduct

Resolutions

Employees of Anderson Machining Service, Inc. are to conduct themselves in a responsible, professional and ethical manner. Report unethical or dishonest behavior to your lead/supervisor/HR/management. It is our objective to provide a work environment free from elements that would deter you from doing your best work. All concerns may be expressed through our open door policy.

Reported activities will be investigated by appropriate Anderson Machining Service, Inc. management team members. The management team will determine appropriate means of proper resolution. Employees found to be conducting themselves in an unethical manner may be subject to appropriate disciplinary action, up to and including termination.

Smoking & Tobacco Products

All company premises and vehicles are designated non-smoking/tobacco products. No employee will leave their job to smoke or use tobacco products apart from during designated breaks. Tobacco products include, chewing tobacco, cigarettes, cigars, and all other products containing tobacco.

Alcohol, Drugs, & Illegal Substances

Anderson Machining Service, Inc. realizes that the misuse of drugs and alcohol impairs employee health and productivity. Drug and alcohol problems result in unsafe working conditions for all employees and customers. AMS is committed to maintaining a productive, safe, and healthy work environment, free of unauthorized drug and alcohol use. Any employee involved in the unlawful use, sale and manufacturing, dispensing or possession of controlled substances, illicit drugs and alcohol on AMS premises or work sites, or working under the influence of such substances, will be subject to disciplinary action up to and including dismissal and referral for prosecution. In additional questions regarding this subject may be taken up with HR.

Violence & Weapons

Threats of violence and acts of violence are strictly prohibited. Employees threatening or committing acts of violence will be subject to appropriate disciplinary action, up to and including termination. Report any such activity to your immediate supervisor or Human Resources.

Weapons are generally defined as guns, knives and other objects universally considered a weapon by the vast majority of society. A “weapon” can also be any object which would do harm to another when used as such. Anderson Machining Service, Inc. shall deem any such object a “weapon” for the purpose of enforcing this policy. Possession of weapons is prohibited on company property and while on duty performing company business at any location. Any employee on duty or on company premises in possession of a weapon will be subject to appropriate disciplinary action, up to and including termination. Report any weapon possession to your immediate supervisor or Human Resources.

Sexual and Other Unlawful Harassment

Anderson Machining Service, Inc. will not tolerate harassment of its employees. Any form of harassment related to an employee’s race, color, gender, religion, national origin, veteran status, citizenship status, age or disability is a violation of company policy. The term harassment includes, but is not limited to slurs, jokes, and other verbal, graphic or physical conduct relating to an individual’s race, color, gender, religion, national origin, veteran status, citizenship status, age or disability: sexual advances, requests for sexual favors and other verbal, graphic or physical conduct of a sexual nature.

Any violation of this policy will result in disciplinary action. You will not be penalized in any way for reporting such improper conduct.

If you are harassed by another employee based upon your race, color, gender, religion, national origin, citizenship status, age or disability, or become aware of such harassment, you should tell your supervisor immediately. Your supervisor will notify the Human Resources Department and they will see the matter investigated and that appropriate action is taken. If you cannot discuss the matter you’re your supervisor, arrange a meeting with your department head, or Human Resources.

Americans With Disabilities Act (ADA) Policy Statement

The Americans with Disabilities Act (ADA) of 1990 prohibits discrimination on the basis of disability and protects qualified applicants and employees with disabilities from discrimination in hiring, promotion, termination, pay, job training, fringe benefits and other aspects of employment. The law also requires that covered entities provide qualified applicants and employees with disabilities with necessary, reasonable accommodations that do not impose undue hardship.

Anderson Machining Service, Inc. is committed to our employees, applicants, and customers to fully comply with the ADA.

Company Property

Confidential Information Security

As a matter of course employees of Anderson Machining Service, Inc. will have access to confidential and proprietary information. This information includes, but is not limited to, personnel information, pricing, client lists, contractual agreements, intellectual property and marketing/sales strategies. It is a condition of employment that you not disclose this information to third parties during or after employment. Disclosure of Anderson Machining Service, Inc. confidential information without express written approval is prohibited.

Facility Security

It is the responsibilities of all employees to make sure the facilities and work areas are secure. Any employee entrusted with facility keys shall make certain the facility is secure when that employee is the last to leave. See your immediate supervisor if you will be left with this responsibility. Report any potential security risks to your immediate supervisor.

Keys

Keys to Anderson Machining Service, Inc. premises are issued to and for the exclusive use of designated employees. You are responsible for keys issued to you and your safekeeping. If you lose your keys, you must immediately notify Human Resources. You may not duplicate keys or request that they be duplicated. On termination of employment, all keys must be returned to your manger or Human Resources.

Office Supplies, Postage & Company Accounts

Anderson Machining Service, Inc. postage, postage systems, shipping accounts and accounts with various vendors and suppliers are to be used for company business purposes only. Improper use of these items may result in appropriate disciplinary action, up to and including termination.

Company Equipment

Company property, such as laser printers, copiers, computers and all production tools, are to be used for Anderson Machining Service, Inc. business purposes only. Unauthorized use of equipment may result in appropriate disciplinary action, up to and including termination.

Personal Call and Personal Communication Devices

Telephone systems, equipment and operators are in place to provide business services for the company. Employees are to make any personal calls on non-work time and to ensure friends and family members are aware of the company's policy. Flexibility will be provided in circumstances that demand immediate attention. Anyone needing to contact an employee during working hours must do so through the switchboard (920-674-6003). If an employee is working on 2nd or 3rd shift the person may call the Supervisor line at (920-675-2009). While on company time all personal communication devices must be turned off. In the event of an emergency a personal communication device may be used to respond. Friends and family may contact the employee through the switchboard.

Telephone and Computer Use Policy

Personal Communication

Telephone and e-mail systems are provided by AMS at its expense for business use, all messages sent or received on those systems are company documents. AMS reserves the right to access and to disclose the messages that you send and receive on the voice mail or e-mail systems. Employees should also be aware that "deleted" messages from the computer screen may not actually be deleted from the e-mail system. Employees who abuse this policy are subject to disciplinary procedures up to and including discharge.

Computers and Related Equipment

Anderson Machining Service, Inc. provides employees access to computers, printers and other equipment on an as-needed basis, to perform their job requirements. This equipment is to be used exclusively for the business activities of Anderson Machining Service, Inc. Employees found to be using company computer equipment for personal use may be subject to appropriate disciplinary action, up and including termination.

Employees are required to maintain their computers and related equipment in good working order. If any of your equipment needs service, repair or maintenance, notify your immediate supervisor.

Employees shall not use company systems to knowingly violate any city, state or federal laws. Company equipment shall not be used to store or display images depicting violence, sexually explicit material or racially offensive material.

Company equipment shall not be used to create or store personal information or projects.

Software installed on company computers must be properly licensed and installed at the approval of the IT department. Employees are not permitted to download any software (free or otherwise) without expressed permission from the IT department.

Internet

Company computer systems connected to the Internet, are connected for business purposes only. Accessing the Internet for personal use is prohibited. Employees are expressly prohibited from allowing any third party to use company provided computers or Internet services.

Conducting company business on the Internet must be done following all guidelines and policies for conducting business in conventional settings. Do not expect privacy on company computers. Our software and systems have the capability of tracking each visit, each e-mail, each chat and each file transfer, by every computer on the system. Anderson Machining Service, Inc. maintains the right to limit Internet access.

Anderson Machining Service, Inc. will comply with any reasonable requests from law enforcement to review Internet activities of any employee.

While accessing the Internet, employees should be aware of the global reach of the media. Employees are required to maintain a high level of dignity and be mindful that they represent Anderson Machining Service, Inc. to the world at large while online. For protection of Anderson Machining Service, Inc's. network and proprietary information, security measures have been installed on the system. No employee shall, under any circumstances, attempt to disable or circumvent these security measures.

Benefits

Overview

Benefits are provided to employees at the will of Anderson Machining Service, Inc. AMS reserves the right to modify or eliminate benefits without notice under conditions of law. The benefits listed herein are intended to be a general description only. Details of specific benefits are outlined in the documentation for the benefit program.

Eligibility

To qualify for benefits an employee must be considered full time and have completed a minimum of 60 days continuous employment with Anderson Machining Service, Inc. To qualify to participate in the group 401k plan an employee must be considered full time and completed one year of service an exception is made when regular part time employees complete 1000 hours in a year. To qualify for vacation benefits a full time employee must have

completed one full year of continuous employment. Full time employees are employees who have been assigned a regular 40 hours per week work shift. Employees scheduled for less than 30 hours weekly are not eligible. Anderson Machining Service, Inc. reserves the right to, without notice, revise these eligibility requirements.

If you have questions contact Human Resources.

Holidays

Anderson Machining Service, Inc. will normally observe 10 paid Holidays each year as follows: New Year's Eve day, New Year's Day, Good Friday, Memorial Day, Independence Day, (4th of July), Labor Day, Thanksgiving Day, Thanksgiving Friday, Christmas Eve and Christmas Day. In the event that one of these holidays falls on a weekend, the company will observe the holiday on the Friday preceding or Monday following the actual holiday, depending on the circumstances.

Eligibility

1. All Regular Full Time employees are eligible for holiday pay after completing 30 calendar days of employment
2. To be eligible for holiday pay, employees must work their entire scheduled shift before and after the holiday, unless the employee is on vacation.

Personal Days

Personal days can be acquired in the following ways:

1. *Employees can earn additional days off, to be used at their discretion, in lieu of working on Thanksgiving Friday, Christmas Eve Day, New Year's Day and Good Friday or by working on a day that has been observed for a Holiday that falls on a weekend if the following conditions exist:
 2. Work must be available
 3. The proper support must be willing to work
 4. Quality of work and production goals must be met

Human Resources will send an email stating that the above conditions exist and work is available. Employees shall notify Human Resources, via email, if they would like to work. Human Resources will send a final email stating if the plant will be open or closed on these observed holidays.

1. Employees are eligible to earn additional days off for having perfect attendance. Employees who have no absences, other than for holidays, vacation or jury duty for 6 months will earn 1 vacation day. Employees who have no absences for 12 months will earn an additional vacation day for a second 6 months of perfect attendance, plus 1 more for having perfect attendance for the year. If an employee misses a day of work, other than for holidays, vacation, bereavement or jury duty, their perfect attendance will start over the first day they return to work. Employees are responsible for keeping track of their attendance. Once they believe they are eligible for additional vacation days they must notify Human Resources.
2. Employees will receive their Birthday off as a paid personal day if they are employed during Christmas. This day is to be taken during their birthday week. New hires in the month of December are not eligible for this paid personal day.

Anderson Machining Service, Inc. will review personal days yearly and maintains the right to change this policy at their discretion.

Vacations

Anderson Machining Service, Inc. provides paid vacation time for all eligible employees. To qualify for vacation benefits a full time employee must have completed one full year of continuous employment. Employees are encouraged to take a vacation every year. Vacation days must be used by the next 12 month anniversary date of employment.

Full time permanent employees of Anderson Machining Service, Inc. become eligible for vacation time accruals as follows:

After completion of 1 year of regular full time service employees of Anderson Machining Service, Inc. qualify to receive 5 days of paid vacation.

1. After 3 years as a regular full time employee, you will receive 5 additional days of paid vacation.
2. From 6 to 10 years of service, one additional day will be added for each year completed. In this manner, upon the completion of ten years regular full time employees will receive a total of 15 paid vacation days per 12 month period.
3. From 11 years of service onward, an additional day will be added for each 2 years of employment up to a maximum total of 25 vacation days.

** Part time employees are not eligible for vacation.

All paid vacation days are to be scheduled at the mutual convenience of the company and employee. These days must be approved at least one week in advance. They are approved by your supervisor first, and final say goes to Human Resources. Vacation days must be used by the next 12 month anniversary date of employment.

Employees are required to work their scheduled shifts before and after a vacation period for that period to qualify as paid.

If an employee quits, he or she must take any days that remain before leaving. The employee still must adhere to all the same policy rules including working the scheduled shift before and after the vacation day.

Group Medical Insurance

Anderson Machining Service, Inc. makes group benefits, including health insurance, life insurance, accidental death coverage and short term disability insurance available to eligible employees and their eligible family members. AMS pays the majority of the premiums for these benefits, with the employee sharing the balance of the cost. Single and family plans are set at different contribution rates. The low cost of these benefits is an important part of each eligible employee's compensation package. Eligible employees may also purchase additional voluntary benefits on a pretax 125 plan basis, included are flexible health savings, flexible Dependant care funding, dental coverage, additional life with family life and long-term disability optional life insurance for spouse and dependents. Eligible employees are all full-time employees who have completed 60 calendar days of employment. Most coverage will begin on the first of the month following 60 days. Specific details on coverage and benefits are outlined in a Health Benefit packet. This information will be provided to you during employee orientation. You will also receive authorization forms for all benefits at that time. Please see Human Resources if you have not been scheduled for orientation and have not received the Benefit packet. The employee portion of premiums must be paid through **weekly** payroll deduction.

*Plan details highlighted at the end of this handbook.

Health Benefit Continuation

Anderson Machining Service, Inc. will maintain group health insurance coverage for you during any period of family and medical leave, on the same basis coverage would have been provided if you had not taken such leave, as long as you intended to return to work. If you fail to return from leave after it expires for any reason other than the continuation, recurrence or onset of a serious health condition or circumstances beyond your control, you must reimburse and AMS may recover from you any premiums for group health coverage paid during the period of leave. To continue this coverage it is necessary that you report periodically on your status and intent to return to work.

Other Benefits

Benefits other than health insurance are suspended during the period of Family and Medical Leave. Unused benefits that accrued before the date leave begins are retained, but you accrue no seniority or benefits that would otherwise have accrued during the period of leave.

401k

Anderson Machining Service, Inc. offers a 401k plan to eligible employees wishing to participate.

*Plan details highlighted at the end of this handbook.

COBRA

Anderson Machining Service, Inc., in accordance with federal laws offers continued medical benefits to employees and their dependents that lose eligibility for coverage via termination or other circumstances. COBRA (Consolidated Omnibus Budget Reconciliation Act) provides employees and their qualified beneficiaries the opportunity to continue health coverage under the company's health plan. The employee pays the full cost for coverage at our group rate, plus an administration fee.

Human Resources will provide details of COBRA coverage and procedures for applying at the time an employee or dependent loses eligibility.

*Plan rates are highlighted at the end of this handbook.

Policies for Leave of Absence

Unpaid Family & Medical Leave

Anderson Machining Service, Inc. employees are eligible to take unpaid leave as per the terms of The Family and Medical Leave Act 1993. Consult Human Resources for details and notify your immediate supervisor if you need this request.

Bereavement Leave

Anderson Machining Service, Inc. will provide reasonable time off for employees to attend funerals of friends and loved ones. In the event of a death in the immediate family (Father, Mother, Spouse, Child, Siblings or Grandparents(Fathers'-in-law & Mothers'-in-law may apply) of the employee, up to three days paid time off may be granted to attend to family matters and funeral arrangements. Additional unpaid time off may also be granted. Contact Human Resources concerning your specific needs.

Jury Duty

Notify your immediate supervisor if you are summoned for jury duty. Unpaid time off from work will be granted as necessary in compliance with Wisconsin law.

Military Duty

In accordance with requirements of law, Anderson Machining Service, Inc. will provide military leave of absence and reinstatement for qualifying employees.

Return to Work

Consistent with the requirements of applicable leave statutes, you will be restored to the position you held when the leave commenced or to an equivalent position with equivalent benefits, pay and other terms and conditions of employment. Upon expiration of the leave, if you were on leave for your own serious medical condition, you must provide a certification from your physician that you are able to resume work.

Anderson Machining Service, Inc. Safety Policies

Safety is every employee's right and every employee's responsibility. Safety procedures must never be taken for granted. The policies, rules and procedures outlined are in place to protect everyone involved in the daily operation of this company.

Safety Policy

Anderson Machining Service, Inc. is sincerely interested in the safety and well being of our employees. AMS will make every effort to keep the office and shop equipment in excellent condition and make sure that all safety devices are working properly. If, in spite of our efforts to ensure safe working conditions, an employee has an accident or becomes ill on the job, it should be reported to the manager immediately. They will see that prompt medical attention is provided.

Safety Shoes

Steel-toed shoes with an ANSI rating of Z41 are required of all persons working in the shop and/or warehouse areas. AMS shares the cost with its employees by purchasing half of the cost of a pair of work boots and providing payroll deduction for the second half of the cost of these safety shoes.

Safety Glasses

Everyone must put on safety glasses with side shields that have an ANSI rating of Z87 upon entering the shop or warehouse areas and wear them at all times when in these areas. Non-prescription glasses are provided up to one

pair every quarter. If you need more than this, they can be purchased. If you need prescription safety glasses contact HR.

- For employees during their probationary period re-reimbursements may be submitted during their 90 day probationary period, but will not be paid until their 90 day probationary period is completed.

Hearing Protection

Always wear hearing protection in areas where signs indicate so. Even if hearing protection is not required in an area, you can use hearing protection provide by the company. Ear plugs are by the First Aid cabinet.

Dress Code

Anderson Machining Service, Inc. maintains a business casual working environment. All employees should use discretion in wearing attire that is appropriate to their work area. Well fitting clothes that are neither, too loose or too tight, are appropriate. Clothing that is cut low or clothing that exposes undergarments is not permitted. Employees are expected to dress neatly and practice good grooming and hygiene. If you have questions about appropriate attire please check with your immediate supervisor. If your supervisor feels your dress is inappropriate or offensive you will be asked to leave to change your clothes. You will not be paid for time away from work to change your clothes.

Hair

All hair must be tied back when working in the shop. Loose flowing hair can get caught in a machine, please tie it up tightly.

First Aid Kit

Anderson Machining Service, Inc's. First Aid Kit is located on the wall over the water fountain near the entry to the office area. In addition to ear plugs, bandages and non-prescription pain relievers, the first aid kit also contains a supply of rubber gloves, a blood borne pathogen kit, tweezers, and a mouth guard for use in CPR.

Precautions:

Blood borne Pathogens

The business of AMS involves cutting metals, which creates sharp metal chips. The prevalence of sharp metal in the workplace means that cuts and abrasions, which may draw blood, occur from time to time.

Be aware: All blood and body fluids must be treated as if they are infected with:

- HIV (which leads to AIDS)

- Hepatitis B Virus (HbV)
- Other blood borne pathogens (micro-organisms present in infected blood which may cause disease).

Wearing **latex gloves** is a requirement when dealing with all blood and bodily fluids. Our intention is to bring this requirement out of the spectrum of friendship. You should not come into contact with another person's blood without a barrier, no matter how well you know them.

Waste Disposal

- In the case of minor wounds requiring only latex gloves and a small swab for a small amount of blood (which dries quickly), the gloves, swab, or tissue, with the dried blood may be disposed of in the regular garbage.
- Whenever dressing the wound of another individual, cleaning blood shed in an accident, or giving other first aid that will result in direct contact with a significant amount of another person's blood, the blood pathogen kit should be utilized. The latex gloves and saturated materials used in dressing the wound and/or cleaning up should be disposed of in the hazardous container provided. The bag is to be given to office personnel for proper disposal through the hospital.

****If administering first aid means the possibility of putting yourself at risk, the only thing you can do is call "911". This means that if a person is hurt, but in a position that will put the rescuer in danger, such as unsecured or falling material or electrical current, or if the injured individual is bleeding, but a blood borne pathogen kit is unavailable: or if the person is not breathing and a CPR barrier is not available, CALL 911. There is nothing else you can do.**

General Safety Rules

Section 1

1. Report all accidents immediately to the supervisor, no matter how small they seem.
2. Promptly report to supervisor any unsafe conditions, equipment and practices for correction.
3. Do not lift objects beyond your capacity.
4. ***To lift safely:***
 1. Assure secure footing
 2. Place feet close to object to be lifted.
 3. Bend knees and squat, keeping back as vertical as possible.
 4. Push up with your legs & lift object to carrying position.
5. Keep aisles and exits clear at all times.
6. Read bulletin boards for safety information and observe all safety posted signs.
7. MSDS sheets (Material Safety Data Sheet) for all products used in this plant are available for your information. You can find this information in a binder in CMM/Tooling room.

Section 2

1. No smoking or using tobacco products in building.
2. No horseplay or practical jokes.

3. Everyone must put on safety glasses upon entering the shop or warehouse areas and wear them at all times while in these areas.
4. Steel-toed safety shoes must be worn by all personnel working in the shop and warehouse areas.
5. Other safety equipment such as face shields & welding helmets must be worn at all times when the job requires it.
 1. Latex gloves are to be worn when providing first aid to another.
 2. Gloves of any kind may not be worn while operating machinery without the consent of the shift supervisor.
6. Only operate or repair equipment which you have been authorized and instructed to use. Use only the proper equipment for each job.
7. Observe all departmental safety rules and regulations at all times.

These rules and company policies can be amended and changed pending experience and/or suggestions by employees, management, and our insurance company.

Any unsafe act, whether or not it is in this statement, is strictly forbidden and will be dealt with by the company according to severity.

Equipment Operation

Only operate equipment after you have been properly trained. Always use safety devices. Safety shields and safety equipment must be operational whenever the equipment is in use. Always follow safety procedures. If you think the safety equipment or procedures should be changed, speak to your supervisor. If you approach an operator, do not distract them. Wait until they are finished to talk to them.

Worker's Compensation

Employees who are injured on the job are covered by Worker's Compensation Insurance. All job related injuries should be reported to the area supervisor as soon as they happen. The area supervisor will fill out an injury report for the employee so that there will be a written report on file (whether or not a doctor is seen). Obvious injuries of emergency nature should be treated at the Fort Atkinson Memorial Health Services emergency room or their Urgent Care Department (611 E. Sherman Ave, Fort Atkinson, phone: (920)568-5333). (Employees reserve the right to see any doctor of their choice). Injuries that prevent an employee from finishing his/her shift will generally be considered of emergency nature. If there is an uncertainty as to the emergency nature of the situation it would be better to err towards safety. If an employee does not feel able to continue working the current shift and must leave early, it will be necessary to have a doctor's note verifying that it's OK to return to work the next day. When seeing a doctor for Worker's Comp. or related matters, the employee should ask for the earliest return date with or without limitations and exactly what the limitations are. **It is company policy to find work for employees with limited work restrictions whenever it is possible.** If an employee was excused from work early because of injury or follow-up appointment, it is important that the Supervisor include a note to that effect when he/she submits his report. The attending doctor should send the bill directly to Anderson Machining Service, Inc. AMS will be responsible for notifying the insurance company and arranging payment.

Return to Work Policy

Your contribution is valuable, and we want you to return to work as soon as you are able. Also, medical professionals tell us that people who are active heal more quickly than people who are non-active. Even if you can only work a few hours a week, we need your help and want you here. Before you can return to work, you must give your supervisor a medical release form from your doctor. This applies to work related and serious non-work related injuries and illnesses. The medical release includes any needed work accommodation to insure that you work safely

upon your return. When you return to work after an injury, you may need an accommodation, a change in current task or a move to a new task. Talk to your supervisor about what accommodations you may need. The two of you may need to be creative in modifying the work area or tools, or in finding a task where you can contribute during recovery.

Medical Emergency Procedure

Medical emergency-An emergency situation, where a sick or injured person is unable to move safely on his/her own.

Procedure:

- Make sure the sick or injured person is in a position where he/she is unlikely to fall or experience further injury if possible without risk to yourself.
- Notify your supervisor immediately.
- The supervisor in charge should be the one to call “911” for assistance. If this is not possible, take the initiative.
- Direct the emergency vehicle to the Grove Street parking lot entrance and the back drive-in door in the dock area. We want to assure that if multiple call are made the instructions will be the same because time is of the essence. Please understand we consider many calls to be better than none.
- One person should be dispatched to make sure the dock area is accessible and to be available to direct the people responding to the call.

Emergency Evacuation Procedure

Evacuation emergency- Any emergency situation, which renders the building potentially unsafe for inhabitation.

Examples: a fire, gas leak or other threat.

There are several precautions to take before such an emergency takes place. It is important to always be aware of every person who is currently in the building. In the event of an evacuation it is important to be sure everyone is safely out of the building. This small precaution can prevent emergency personnel from unnecessarily risking their lives.

Precautions:

- All shop employees are to report to their supervisor after learning of their assigned workstation for the day. The supervisor’s name is posted in each cell.
- Employees are to inform their supervisor before leaving the plant property.
- Each supervisor, implementing the buddy system, informs at least one other individual of the day’s attendance.
- All visitors will sign in at reception and be given into the custody of an employee before entering the shop area.
- Office and engineering personnel will note their coming and leaving with reception.
- Dock attendant and 2nd and 3rd shift Supervisors are responsible for visitors entering via dock area. A poster directing visitors will be prominently posted.

- Employees should familiarize themselves with all building exits. Note exit signs. Know the locations of fire extinguishers.

When an emergency occurs:

- If you are the first to discover an emergency condition, report it to your supervisor immediately. He will notify reception so that a general announcement can be made over the intercom system and call “911” for help.
- If time does not allow for this formality, or the intercom is not functioning, anyone hearing the alarm warning should spread the message.
- The words to use are “Please evacuate the building. Use the nearest exit and convene in the southwest front or office parking lot for a head count.”
- Do as the message says as quickly and calmly as possible.
- Do not leave the parking lot meeting area until the supervisor in charge has told you that it is permissible to do so. Once more, this is important so that we can be certain that everyone is out of the building.

Note: If you are unable to extinguish a fire with the discharge of no more than one fire extinguisher, it is time to seek assistance from the fire department.

Weather Emergency

Procedure:

1. The shift supervisor will monitor weather conditions, make preparations if shelter needs to be taken, make an announcement if shelter needs to be taken, and do sweeps of the shop to make sure employees have taken shelter.
2. All employees shall take shelter in a safe area when the announcement is made.
 - Bathrooms
 - Basement in the break room.
 - Crouch under a desk with your hands covering your head.
 - Lay next to a CNC machine with your hands covering your head.
 - Remain in your safe area until the shift supervisor announces it is safe to meet for a roll call.
 - Immediately report to the break room for roll call. Management will presume you are hurt or missing if you are not present and will call for emergency personnel.

Severe Weather Announcements:

Start of emergency: Attention, Attention please, weather conditions at the time require taking shelter immediately in the severe weather safe areas. Repeated at least 3 times.

After the emergency: Attention, Attention please, please report to the break room for roll call. Repeated at least 3 times.

Discipline Policies

In an effort to maintain a proper atmosphere for employment, certain rules and regulations must be adhered to for the safety and consistency of all.

Problem Resolutions

The solution to most problems is often found through communication. We will make every reasonable effort to assist in solving problems or disputes amongst employees.

For disputes between employees we recommend the following: first discuss the problem between the two employees and make every attempt to resolve it. If no resolution is reached, both employees together should approach a supervisor and allow the supervisor to participate in the resolution. If a resolution is not reached, it should be turned over to Management. Management will gather and review all information and provide a solution with the best interest of all parties.

If a supervisor is involved as a party in the initial dispute, it must be turned over to Management.

The appropriate chain of command for resolving problems is as follows:

1. Your assigned supervisor
2. Human Resources
3. President

Decisions of Management will be final.

Violation of Company Policy

Employees found to be in violation of company policy will be given official notice of the infraction. All reasonable attempts to resolve the problem will be made to constructively resolve the situation. Appropriate disciplinary action, up to and including termination, may be taken if the violation continues.

Employees who believe they have been falsely charged with an infraction can appeal the charge to Management. All appeals must be in writing clearly defining the reason you believe the charge was false. Management will review all available information and make a ruling. All decisions are final.

Notices of violation, appeals and final disposition documentation will become a permanent record in the employee's personnel file.

Corrective Action Policy

Performance Improvement

Performance improvement may be suggested when company management believes that an employee's performance or actions are less than satisfactory and can be resolved through adequate counseling. To illustrate the level of conduct expected of all employees, the following **definitions and classification of violations**, for which corrective action may be taken is provided. Violations which may warrant corrective action are not limited to these examples. A particular violation may fall into any of the categories depending on the surrounding facts or circumstances.

Minor Violations

Less serious violations that have some effect on the continuity, efficiency of work, safety and harmony within the company. They typically lead to corrective counseling unless repeated or when unrelated incidents occur in succession. Here are some examples of minor violations:

- Tardiness
- Unsatisfactory job performance

- Defacing company property
- Excessive absenteeism
- Any safety violation of the Safety Rules in Section 1 of the Safety policy.
- Failure to observe working hours, such as the schedule starting time, quitting time, or rest and meal times.
- Failure to enter SPC Data in computer and/or charts per routing frequency instructions.
- Inconsistent completion and submission of documentation
- Interfering with another employee's ability to produce parts.
- Making false, vicious, or malicious statements about the company or fellow employees.
- Making unnecessary changes and adjustments to the local network computer.

Major Violations

These more serious violations would include any deliberate or willful infraction of company rules and may preclude continued employment of an employee. Here are some examples of major violations:

- Leaving your workstation or premises without permission (EXCEPT for first aid or restroom)
- Deliberately restricting output
- Fighting on company premises
- Repeated occurrences of related or unrelated minor violations, depending upon the severity of the violation and the circumstances.
- Any safety violation of Safety Rules in Section 2 of the Safety policy.
- Possession of firearms, "hunting" type knives or any lethal or dangerous weapons on company property.
- In-subordination-Refusal to do any job requested by a supervisor
- Conviction of a felony
- To be under the influence of narcotics or alcohol on company premises
- Intentionally falsifying your employment application
- Knowingly putting deviant material in with good parts
- Stealing, destroying, abusing, or damaging company property, tools, or equipment, or property of another employee or visitor, regardless of monetary value
- Disclosure of confidential company information or trade secrets to unauthorized persons
- Willfully disregarding company policy or procedures
- Willfully falsifying any company records
- Failing to report to work without excuse or approval of management for three consecutive days.

Corrective Counseling

Corrective counseling is completely at the discretion of company management. The company desires to protect its investment of time and expense devoted to employees' orientation and training whenever that goal is in the company's best interests. The company expressly reserves the right to discharge "at will". Even if corrective counseling is implemented, it may be terminated at the discretion of management. Management, in its sole discretion, may warn, reassign, suspend, or discharge any employees at will, whichever it chooses at the time.

Management will determine the course of action best suited to the circumstances. The steps in performance improvement are as follows:

- **Verbal Counseling**-As the first step in correcting unacceptable performance or behavior, a representative from Human Resources and the shift supervisor review pertinent job requirements with the employee to ensure his/her understanding of them. The severity of the problem, the employee's previous performance appraisals and all of the circumstances surrounding the particular case are taken into consideration. The seriousness of the misconduct will be indicated by in a written warning, probation, or possible termination could result if the problem is not resolved. The employee will be asked to review what has been discussed to ensure his/her understanding of the seriousness of the problem and the corrective action necessary. Human Resources documents the verbal counseling for future reference immediately following the review.
- **Written Warning**-If the unacceptable behavior or performance continues the next step is a written warning. Certain circumstances, such as violation of a widely known policy or safety requirement, may justify a written warning without first using verbal counseling. The written warning defines the problem and how it may be corrected. The seriousness of the problem is again emphasized, and the written warning shall indicate that probation or termination, may result if improvement is not observed. Written counseling becomes part of the employees personnel file, although the vice president may direct that the written warning be removed after a period of time, under appropriate circumstances.
- **Probation**-If the problem has not been resolved through written counseling or the circumstances warrant it, or both, the individual will be placed on probation. Probation is a serious action in which the employee is advised that termination will occur if improvement or conduct is not achieved within the probationary period.

Human Resources and the company President after review of the employee's corrective counseling documentation will determine the length of probation. Typically the probation period is at least two weeks and no longer than 60 days depending on the circumstances. A written probationary notice to the employee is prepared by Human Resources. The letter includes a statement of the following:

- The specific unsatisfactory situation
- A review of verbal or written warnings
- Length of probation
- The specific behavior modification or acceptable level of performance
- Suggestions for improvement
- A scheduled counseling session or sessions during the probationary period
- A statement that further action, including termination, may result if defined improvement or behavior modification does not result during probation. "Further action" may include, but is not limited to reassignment, reduction in pay, or demotion.

The employee acknowledges receipt by signing the letter. If the employee should refuse to sign, Human Resources may sign attesting that it was delivered to the employee and identifying the delivery date. The probationary letter becomes part of the employee's personnel file.

On the defined probation counseling date or dates, the employee and Human Resources will meet to review the employee's progress in correcting the problem/s which led to probation. Brief written summaries of these meetings should be prepared with copies provided to the employee and the company President.

At the completion of the probationary period, Human Resources and the employee will meet to determine whether the employee has achieved the required level of performance to consider removing the employee from probation, extending the period of probation, or taking further action. The employee is to be advised in writing of the decision.

Suspension

A two to five day suspension without pay may be justified when circumstances reasonably require an investigation of a serious incident in which the employee was allegedly involved. A suspension may also be warranted when employee safety, welfare, or morale may be adversely affected if a suspension is not imposed. In addition, and with prior approval of Human Resources, suspension without pay for up to five consecutive working days may be imposed for such proven misconduct as intentional violation of safety rules, fighting, possession of weapons on premises or the possession of illegal substances or alcohol on the job. These examples do not limit management's use of suspension with or without pay in other appropriate circumstances, such as the need to investigate a serious incident. In implementing a suspension, a written counseling report should set forth the circumstances justifying the suspension. Such a report shall become part of the employee's personnel file.

Criminal Convictions

Criminal convictions are taken seriously at Anderson Machining Service, Inc. We reserve the right to disqualify any applicant for employment that has been convicted of a criminal offense. Furthermore, conviction of a crime may result in an automatic termination. Anderson Machining Service, Inc. will make every effort to evaluate the nature and circumstances of the conviction. With the safety and well being of co-workers at stake, convicted employees may be subject to appropriate disciplinary action up to and including termination.

Termination of Employment

Employees of Anderson Machining Service, Inc. are not given tenure. The employee of Anderson Machining Service, Inc. may choose to terminate employment at any time.

Employees choosing to terminate their employment with Anderson Machining Service, Inc. are required to return all company property to their immediate supervisor before leaving the premises on their final date of employment.

Upon receipt of all company owned property, the employee will receive their final direct deposit. Anderson Machining Service, Inc. may terminate employment at any time for any reason. If an employee is terminated for a severe violation of policy they will be escorted from the premises immediately. Any personal property, and their final direct deposit will be released upon receipt of all company owned property.

Management will provide an opportunity to all employees leaving Anderson Machining Service, Inc. to have an exit interview. Requests for exit interviews must be made with reasonable time for Human Resources to schedule the interview.

Anderson Machining Service, Inc. considers personnel files confidential. Any requests for employment confirmation will be provided only with employment dates and positions held.

Anderson Machining Service, Inc. Hazard Communication Program

Objectives

1. To safeguard our employees' health by providing a guide for compliance.
2. To provide our employees with the necessary information concerning health and physical hazards of the chemical materials in use at our work sites.
3. To comply with the OSHA Hazard Communication Standard 29 CFR 1910.1200.

Scope

This program, written by Anderson Machining Service, Inc., will provide the information necessary to inform employees of all chemical products used at AMS which are hazardous or not. It will include the following:

1. Listing of the chemical products which will be handled, used, and stored on company property (Hazardous Chemical Inventory)
2. Assure that appropriate identifying labels are on containers of hazardous chemicals being used and handled.
3. Material Safety Data Sheets will be required and procured for all hazardous chemicals which employees will encounter. The MSDS will be stored and available in the CMM room (Jefferson) and by the Break room (Whitewater) and in Plexus under Controlled Documents. Employees will be trained on how to read and use the MSDS.
4. Employees will be trained to recognize and interpret labels, warnings, color coding, and signs affixed to containers that they might handle, in order to avoid and/or make less severe potential hazards.
5. This written Hazard Communication Program will be available upon request to employees, the Assistant Secretary of Labor, the Director NIOSH, and others so required by the Standard. It is also located in Plexus under Controlled Documents.

HAZARDOUS CHEMICAL INVENTORY

1. The Human Resource Department will maintain a current list of all hazardous chemicals used on our facility, and will make list available to employees upon request. This list may be supplemented by appropriate MSDS.
2. A master list of all chemicals (Hazardous Chemical Inventory) and MSDS will be maintained in the CMM room (Jefferson) and by the Break room (Whitewater) and located in Plexus under Controlled Documents.
3. The Purchasing Department, with the assistance from the Shipping and Receiving Department, will have the responsibility of reporting to the Human Resources Department any container of chemical coming into our facility which doesn't appear on the list of chemical substances and/or doesn't contain a label or other form of identification. The Purchasing Department will contact the supplier for the appropriate MSDS and label. Interim labeling will be the responsibility of the Purchasing Department.

CONTAINER LABELING

All containers of hazardous materials, regardless of size, must be labeled or tagged.

1. Original labels on containers containing hazardous chemicals are not to be removed.
2. If a different material is placed in the container, the label for the hazardous material contents must be changed to reflect the true contents in the container.

3. Container labels should include the following:
4. Name of the substance in the container.
5. Appropriate hazard warnings.
6. Name and address of the manufacturer or distributor.
7. Exceptions to this rule are made only for very small containers filled by the person using the material, which must be used/emptied by that person during the same shift. Such containers need not be labeled.
8. Shipping and Receiving Department shall assure that the hazard identification labels on incoming containers are present, appropriate and are not removed or defaced. The Shipping and Receiving Department shall report any unauthorized removal or defacing of labels to the HR Department for appropriate disciplinary action.

MATERIAL SAFETY DATA SHEET

1. The Purchasing Department will request MSDS for all purchased chemicals when not automatically supplied.
2. OSHA representatives will likely request a copy of the MSDS during any visit: this request must be directed to the Human Resource Department.
3. Anderson Machining Service, Inc. will rely solely upon suppliers for preparing MSDS' for Chemical Hazardous substances at AMS.
4. Employees may obtain, upon reasonable request, copies of the MSDS from their shift supervisor during each work shift.

EMPLOYEE TRAINING

1. Employees, in areas where they work, will be trained upon job assignment by the Human Resource Department, prior to beginning work in that work area without supervision.
2. When a new hazardous chemical is introduced into the workplace, all affected employees will receive training from the Human Resource Department for the hazards associated with the chemical. Written records will be maintained of all training, including names, dates, agenda, location, etc.

Elements of Employee Training will consist of the following:

- Information on safety and operating procedures in work areas or departments where hazardous chemicals are present.
- The location and availability of the written Hazard Communication Program, including the required lists of hazardous chemicals and MSDS.
- An explanation of how to read and interpret MSDS with respect to the physical and health hazards associated with the chemical.
- An explanation of how to read and interpret information on hazardous chemicals labels.
- Methods and observations that may be used to detect the presence or release of a hazardous chemical in the work area.
- The physical and health hazards of the chemicals in the work area.
- Methods employees can use to protect themselves, such as work practices and the use of personal protective equipment.
- Ways employees can obtain and use the available hazard information.
- An explanation of the existing safety rules required by the Hazard Communication Program, and a statement of the disciplinary actions which will be taken for any employee violation.

- Every employee will accept responsibility for safely performing his/her work in line with the established practice and precautions outlined on hazardous materials labels.
- The employee purchasing procedure.

OUTSIDE CONTRACTORS

1. It will be the responsibility of the Human Resource Department to inform contractors of the hazardous chemicals in our facility to which their employees are exposed.
2. It will be the responsibility of the Logistics Department to require as a condition in the contractor's agreement that they and all of their employees will abide by all safety rules and personal protective programs. And that they know how to access and read the MSDS of the appropriate hazardous chemicals present at AMS, and follow the requirements of the AMS Hazard Communication Program.
3. It is responsibility of the Maintenance Manager to acquire information on the hazardous chemicals a contractor may be using on a project and report that information to the Plant Manager for appropriate action to be taken with respect to protection of AMS employees.

MISCELLANEOUS

- It will be the responsibility of the Human Resource Department to monitor all other aspects of the Hazard Communication Standard with respect to in-house compliance and to audit this Hazard Communication Program, at least on an annual basis, for any updating amendments. MSDS, Chemical Inventory, Health and Safety Literature, will be the primary source of hazard determination under the Hazard Communication Standard.

Anderson Machining Service, Inc. Proposed Disciplinary Work Rules

Anderson Machining Service, Inc. considers violation of any of the following rules misconduct associated with your employment. Further instances may result in additional discipline up to and including termination of your employment.

1. **Removing, tampering with, destruction of or defacing any container label without specific authorization from Management.**
2. **Removal, tampering or destruction of any MSDS.**
3. **Any violation of the Hazard Communication Program.**

DEFINITIONS

Employers- For the purpose of this standard "Employers" are businesses within SIC codes 20-39 where chemicals are either used, or are produced for the use of distribution.

Produce- To manufacture, process, formulate or repackage. Use-Produce, handle, react, or transfer.

Chemical Manufacturers-Employers who produce chemicals for use or distribution. Chemical Manufacturers have additional Hazard Evaluation duties to perform.

Importers- Receive hazardous chemicals produced in other countries for the purpose of supplying them to distributors or manufacturing purchasers within the United States.

Distributors- Supply chemicals to other distributors or manufacturers. Manufacturing Purchases-Manufacturing Purchasers are employers who purchase a hazardous chemical for use within a workplace in SIC codes 20-39.

Chemical- A chemical is any element, chemical compound, or mixture of elements and/or compounds. “Articles” are not considered to be chemicals and are therefore excluded from the standard.

Mixture- Any combination of two or more chemicals if the combination is not, in whole or part, the result of a chemical reaction.

Exposure- Exposure occurs when an employee may inhale, ingest, or absorb a hazardous chemical during the course of employment. The definition includes both potential and current exposure.

Foreseeable Emergency- An emergency which employers would normally plan for (such as equipment failure).

Physical and Health Hazards- These terms are defined in the Standard by listing and defining the various hazards covered. They include such hazards as irritants, toxins, and corrosive materials.

Container- A container is anything that holds hazardous chemicals except pipes and piping systems.

Label- Any written, printed, or graphic material displayed on or affixed to containers of hazardous chemicals.

Identity- Any name used on the MSDS for the chemical, and on the list of hazardous chemicals in the workplace. The name used must permit cross references to be made.

Hazard Warning- Conveys the hazards of the chemical in the container to employees. It may be words, pictures, symbols or any combination of these.

Lockout/Tag out Anderson Machining Service, Inc.

Purpose

This procedure has been established to protect and prevent the personnel of Anderson Machining Service, Inc. from injury caused by unexpected release of hazardous energy. It will be used to ensure that machinery and equipment are de-energized, isolated from energy sources and locked out before employees perform any service or maintenance where the unexpected start-up of a machine or release of stored energy could cause injury.

Responsibility

- Supervisors working under the direction of the Plant Manager are responsible for compliance.
- The Human Resource Department shall assist in the training of supervisors and employees on proper lockout/tag out procedures.
- The Plant Manager or the Maintenance Manager will review and approve all special and machine-specific plans developed to meet this policy.
- A list of authorized, trained individuals will be maintained by the Human Resource Department; see Authorized Employee form. (Plexus/Controlled Documents)
- The Plant Manager will oversee the inspection and review of the energy control procedure at least annually.

Scope

- This procedure applies to all Anderson Machining Service, Inc. employees and contract employees. All machinery or equipment capable of movement, must be de-energized or disengaged and locked-out during installation, cleaning, servicing, adjusting or set-up operations whenever practically possible. (Examples include changing chucks, grinding wheels, tools inside the transfer machine, fixtures on machine tools, etc.)
- In the event that it is not practically possible for the machine/equipment to be locked out a tag out procedure must be used that represents an equivalent level of safety. Once the procedure has been established it will be rigidly followed. The Plant Manager must be consulted before a tag out procedure is used.
- Lock out/tag out procedures will only be performed by Authorized Employees (see definition below).

Lockout/Tag out Procedures

The minimum requirements cited by the Occupational Safety and Health Administration Standard 29 CFR 1910.147; Control of Hazardous are identified below:

Authorized employees shall locate the “Specific Energy Control Procedure” form for the machine/equipment they are working on and follow the procedures listed (Plexus/Controlled Documents). If no specific procedures are required, to complete the following tasks.

1. Identify the type and magnitude of the energy source that the machine/equipment utilized, understand the hazards of each energy source and know the methods to control the energy source.
2. Notify each affected person that servicing or maintenance is required on a machine or equipment and that the machine or equipment must be shut down and locked out to perform the servicing or maintenance.
3. Shut down the machine using normal stopping procedures. Deactivate (turn off) and secure the equipment/system at the energy source.
 1. Isolate all energy sources.
 2. Relieve pressure, release stored energy from all systems, and restrain or block them where necessary.
 3. Attach a lock to each energy isolation device operated in step 4 and a tag to the lock. Sign and date the tag, along with providing pertinent information.
 4. The tag should identify the lockout device and lock's owner.
4. Check to ensure that there are no affected personnel exposed to the equipment/system, and then attempt to activate the operating controls to ensure that the machine will not start up. (A voltmeter can check the switch). **Caution-Always return the operating control to the “neutral” or “off” position after completing this test.**

*The equipment/system is now locked and tagged out.

If the energy isolating device is incapable of lockout a tag out procedure must be used. The tag out procedure used must be similar to the steps listed above but OSHA requires that if a tag out device is used in lieu of a lockout at least one additional safety measure must be used that provides a level of safety equivalent to that of a lock. Such safety measures include, but are not limited to, opening an additional disconnecting device, removal of an isolating circuit element, blocking a controlled switch or the removal of a valve handle. All personnel must be able to understand the hazard warning written on the tags, such as: DO NOT START, DO NOT OPEN, DO NOT CLOSE, DO NOT ENERGIZE, OR DO NOT OPERATE. The Plant Manager must be consulted before proceeding with the plan.

Temporary Release of Lockout/Tag out

When it is necessary to temporarily remove lockout/tag out devices in order to repair, test or position machines/equipment all authorized employees shall:

1. Visually inspect the machine to be sure it is operationally intact, tools have been removed and that items that may pose a hazard upon activation are controlled.
2. Visually inspect the work area to ensure that all employees have been safely positioned or removed from any hazardous area.
3. Notify affected employees that a removal of the lock or tag is going to take place.
4. Verify that the controls are in neutral.
5. Remove the lockout and/or tag out devices and proceed with testing or positioning.
6. De-energize all systems and reapply the lockout/tag out described in the above section.

Lockout/Tag out Removal Procedures

1. After installation, servicing, maintenance, inspection, or cleaning is complete, verify that all tools have been removed, all guards have been reinstalled, the area is clean and orderly, and the equipment is safe to operate.
2. Ensure that employees are not exposed to the equipment.
3. Activate energy source as required.
4. Notify affected employees of the removal of the lock or tag.

Evaluation of Energy Control Procedures

The standard sequence of steps used for implementing energy control is outlined in the *Lockout/Tag out Procedures* section above. However, in some cases specific energy control procedures will be developed for machines and equipment. When available authorized employees will use the written and approved specific energy control procedures for all activities requiring compliance with this standard. (Plexus/Controlled Documents).

1. A specific energy control procedure does not have to be developed for machine and/or equipment when all of the following factors exist.
2. There is no potential for stored or residual energy or re-accumulation of stored energy after shutdown.
3. A single energy source can be readily identified and isolated.
4. Isolation and locking out of the energy source prevents energizing and activation during servicing and/or maintenance.
5. A single lockout device will achieve a locked out condition.
6. The lockout device is under the exclusive control of the authorized employee.
7. Servicing and/or maintenance does not create hazards for other employees.
8. Use of this exemption has resulted in no accidents involving unexpected activation or energy during servicing and/or maintenance.

Maintenance on cord and plug connected electric equipment does not require a lockout/tag out procedure. Employees must make certain that the equipment is unplugged, and maintain complete control over the plug at all times. Each Operator will check to see that a grounded plug has an intact third grounding prong before reinserting the plug into an outlet. If this is not the case this tool must be tagged and removed from service.

Lockout/Tag out procedures do not apply to normal production operations including repetitive routine, minor adjustments and maintenance. In these instances a worker may be required to reach beyond the protective guarding to:

1. Clean chips from a chuck or other work holding device.
2. Load a new part.
3. Change a disposable tool or index and indexable insert.
4. Grease the zerts of a chuck.

Circuit interrupt devices are in place but these are not energy isolating devices.

The Safe Job procedure below stresses respectful safety awareness and is to be followed at all times.

Abandoned Lock Removal

1. Locks and tags are to be removed only by the employee who applied them. The Superintendent or Plant Manager should only remove the locks and tags after a reasonable effort is made to contact the employee and notify him/her of removal.
2. A thorough inspection of the equipment is to be made by the Superintendent or Plant Manager.
3. The Superintendent or Plant Manager must confirm that the authorized employee who applied the lock-out device is not in the building.
4. The Superintendent or Plant Manager can remove the lock providing they have determined starting up the equipment will not endanger other personnel.
5. Each time it is necessary to remove/cut a safety lock the Superintendent or Plant Manager must fill out the Abandoned Lock Removal Form (Plexus/Controlled Documents).
6. The Superintendent or Plant Manager shall make a reasonable effort to contact the employee who originally applied the lock to inform them that the device has been removed. This contact is necessary so that the affected employee would be informed that this has occurred prior to resuming work.

Transfer of Lockout/Tag out

An authorized employee may transfer lockout/tag out protection to a second authorized employee. The second authorized employee shall place their lockout/tag out device prior to at the time the original authorized employee removes their lockout/tag out devices and correct tag information.

Group Lockout/Tag out

If more than one individual is required to lockout equipment each authorized employee shall place their personal lockout device on the energy isolating device(s). When an energy isolating device cannot accept multiple lockout or tag out device (hasp) shall be used.

Lockout/Tag out Device Specifications and Availability

Specifications for lockout and tag out equipment are included in the following list:

1. Lockout and tag out devices shall be standardized for Anderson Machining Service, Inc. and used only for this purpose.
2. Tag out devices shall indicate the identity of the employee applying the device(s) by a signature and date.
3. All locks and corresponding keys will be marked with a unique number and stored in the Maintenance department in the lockout/tag out box.
4. Authorized personnel must completely fill out the Lockout/Tag out log, found in the lockout/tag out box, before removing a lock or tag for use. When returning the lock the authorized person must sign the lock back in.
5. Authorized employees must keep the keys corresponding to their "checked-out" lock on their person or in a secure place until the lock is checked back in.

Contractors

When outside servicing personnel enter Anderson Machining Service, Inc. to perform installation, service, and/or machine maintenance work, the servicing personnel and AMS shall inform each other of their respective lockout/tag out procedures. The individual responsible for the service personnel must take reasonable actions to inform AMS employees of the service personnel's energy control procedures that vary from those specified in this policy.

Training

Each authorized employee shall receive training in the recognition of applicable hazardous energy sources, the type and magnitude of the energy available in the workplace, and the methods and means necessary for energy isolation and control.

Each affected employee shall be instructed in the purpose and use of the energy control procedure.

All other employees whose work operations are or may be in an area where energy control procedures may be utilized, shall be instructed about the procedure, and about the prohibition relating to attempts to restart or re-energize machines or equipment which are locked out or tagged out.

Employees must also be trained about the following limitations for the use of tag out devices:

1. Tags are warning devices and do not provide physical protection.
2. Tags may evoke a false sense of security.
3. Tags must be legible and understandable.
4. Tags and their means of attachment must withstand the environment in which they are used.
5. A tag may only be removed with the approval of the authorized employee.
6. Tags must be securely attached to prevent accidental detachment.

Authorized employees shall be retrained and affected employees will be informed when their job assignments change, when a change in machines or equipment presents a new hazard, when periodic inspection indicates employees are not properly adhering to the energy control procedure, or when energy control procedures change.

Periodic Inspections

The Plant Manager will oversee the inspection and review of the energy control procedure at least annually to ensure that the procedure and the requirements of the standard are being followed. It shall also be conducted to correct any deviations or inadequacies identified. The Specific Energy Control Procedure Checklist should be used for the applicable machine/equipment (Plexus/Controlled Documents).

- Where lockout is used for energy control, the periodic inspection shall include a review, between the inspector and each authorized employee, of that employee's responsibilities under the energy control procedure being inspected.
- Where tag out is used for energy control, the periodic inspection shall include a review, between the inspector and each authorized and affected employee, of that employee's responsibilities under the energy control procedure being inspected.
- The inspector must certify that the periodic inspections have been performed by filling out the Periodic Inspection Certification Form (Plexus/Controlled Documents) and returning it to the Human Resource Department.

Definitions

Authorized Employee- A person who is trained and authorized to use lock out or tag out procedures on equipment while servicing or maintenance is performed on the machine or other equipment. A list of authorized people is maintained by the Human Resource Department: see Authorized Employee form (Plexus/Controlled Documents).

Affected Employee- An employee whose job requires him/her to operate or use a machine or equipment on which servicing or maintenance is being performed under lockout or tag out, or whose job requires him/her to work in an area in which such servicing or maintenance is being performed.

Capable of being locked out- An energy-isolating device is capable of being locked out if it has a clasp or other means of attachment to which, or through which, a lock can be affixed, or it has a locking mechanism built into it. Other energy isolating devices capable of being locked out, if lockout can be achieved without the need to dismantle, rebuild, or replace the energy isolating device or permanently alter its energy control capability.

Energized- Connected to an energy source or containing residual or stored energy.

Energy Isolating Device- A mechanical device that physically prevents the transmission or release of energy. These include, but are not limited to, manually operated disconnect switches, line valves, blocks and slide gates. Push buttons, selector switches and other control circuit type devices are not energy-isolated devices.

Energy Source- The switch or valve through which energy is controlled to the unit (e.g. motor control center (disconnect) switches, (circuit) breaker panel switches, valves locking pins, etc.).

This energy may come to be:

1. Electrical power
2. Mechanical power
3. Hydraulic power
4. Pneumatic power

Lockout- The placement of a lockout device on an energy-isolated device, in accordance with an established procedure, ensuring that the energy isolating device on the equipment being controlled cannot be operated until the lockout device is removed.

Lockout Device- Any device that uses positive means such as a lock, either key or combination type, to hold an energy isolating device in a safe position, thereby preventing the energizing of machinery or equipment.

Servicing and/or Maintenance- Workplace activities such as constructing, installing, setting up, adjusting, inspecting, modifying, and maintaining and/or servicing machines or equipment. These activities include lubrication, cleaning or unjamming of machines or equipment and making adjustments or tool changes, where the employee may be exposed to the unexpected energy or start up of the equipment or release of hazardous energy.

Setting Up- Any work performed to prepare a machine or equipment to perform its normal production operation.

Tag out- The placement of a tag out device on an energy isolating device, in accordance with an established procedure, to indicate that the energy isolating device and the equipment being controlled may not be operated until the tag out device is removed.

Tag out Device- A prominent warning device, such as a tag and a means of attachment, which can be securely fastened to an energy isolating device in accordance with an established procedure, to indicate that the energy isolating device and the equipment being controlled may not be operated until the tag out device is removed.

Safe Job Plan for Normal Repeating Production Work

Example: These basic procedure steps are to be followed during normal production operations when an operator is required to reach beyond machine guarding while the machine is under power. Affected employees must work with respectful safety awareness.

When arriving in a new work area for the day, do a “walk around” safety check.

1. Determine for yourself:
2. Who is in the area?
3. Are all the guards in place and doors closed?

4. Are safety interrupt devices intact and in working condition? (Guarding door interlocks and emergency stop.)
5. Are there any leaks or wet spots on the floor? Is there equipment or pallets in the area creating a hazard?
6. Is maintenance being performed requiring lockout/tag out?
7. Inform your supervisor of any problems prior to starting. Your supervisor is responsible for deciding how to proceed.
8. Working with respectful safety awareness includes:
9. Do not allow a problem or situation to distract you from what you are doing. If you notice this happening, step back from the machine until your attention returns.
10. The hydraulic work holding devices of each machine ARE operational with the barrier in the open position. Develop a safe method for loading parts in the machine. Be mindful each time.
11. Do not allow someone else to distract you. Wait until you have closed the guarding door or stepped back the workstation before conversing with anyone.

Insurance Benefit Rates

Group Medical Insurance

Anderson Machining Service, Inc. will provide Group Health Insurance benefits to all insurable full time permanent employees, spouses, and child dependents. Current benefits include:

Benefit Options

Insurance Benefit Rates

Group Medical Insurance

Anderson Machining Service, Inc. will provide Group Health Insurance benefits to all insurable full time permanent employees, spouses, and child dependents. Current benefits include:

With the Dean HMO plan 1, there is a \$30.00 co-pay, and with the Dean POS (point of service) plan 2, you may go in and out of service for a deductible.

	Employee Contribution Weekly	AMS Contribution Weekly
Employee	<u>HMO</u> \$17.05	<u>HMO</u> \$51.15

Employee+Spouse	\$34.44	\$103.33
Employee+Child(ren)	\$32.23	\$96.68
Family	\$57.31	\$171.94
	<u>POS</u>	<u>POS</u>
Employee	\$23.30	\$69.89
Employee+Spouse	\$47.06	\$141.18
Employee+Child(ren)	\$44.03	\$132.10
Family	\$78.31	\$234.93
 <u>Basic Life (80/20)</u>		
Employee	\$0.12	\$0.44
<u>Voluntary Life (100%)</u>		
Employee	Depends on election amount and age	
<u>Short Term Disability (80/20)</u>		
Employee	\$0.27	\$1.08
<u>Long Term Disability (100%)</u>		
Employee	Depends on annual salary and age	
<u>Dental (100%)</u>		
Employee	\$5.20	22.54(monthly)
Family	\$15.81	68.51(monthly)

COBRA

MEDICAL	HMO	POE
Single	\$295.55	\$403.83
Single w/ child(ren)	\$597.01	\$815.71
Husband and Wife	\$558.59	\$763.23
Family	\$745.08	\$1,357.39

401(k) Retirement Plan

Anderson Machining Service, Inc. has established a 401(k) savings plan through Fidelity Investments to aid all eligible employees in future financial security.

Eligibility: You will be eligible to participate after:

Attaining age 21 and completing one year of service (min. 1000 hours in the 12 month period).

Participation is easy; you contribute a percentage of your salary each payday through convenient payroll deduction. Contributions are then invested in our plan's investment choices that you select. Your contributions, employer contributions and all future earnings on your account are not subject to federal income tax, until you take them out of the plan. This tax deferral gives your retirement savings the opportunity to grow under the most favorable terms possible.

Investment options are available at www.401k.com :

You will be able to change your investment election on any business day by calling this toll free number: **1(800) 544-6666**. Be sure you have your PIN number handy when you this call.

You will receive statements four times a year reflecting your balance as of the end of March, June, September, and December.

Vesting

An employee is fully vested in the plan (i.e., entitled to both his or her contributions and those of the company) at the end of a 5-year period. Should the employee leave prior to 5 years, the employee will receive what he or she contributed to the plan, any vested portion of any employer contributions and earnings of those amounts.

Matching:

Anderson Machining currently makes a contribution to your account equal to 100% on the first 6% of compensation that you contribute to the plan.. It is the intent to continue a 100% match as long as possible. However, the company reserves the right to reduce or eliminate the matching contribution at any time.

This overview of the 401(k) is not a binding agreement. If there is any variation between this overview and the summary plan description or the plan itself, those documents govern.

Joining the plan is one of the most important steps you'll make toward a financially secure retirement. We urge everyone to take full advantage of Anderson Machining Services, Inc. 401 (k) plan.

Anderson Machining Service, Inc. Employee Referral Program

As part of a comprehensive recruitment strategy, it is the policy of Anderson Machining Service, Inc. to encourage its own employees to assist with the recruitment of new employees. All applicants shall receive equal consideration without regard to race, religion, sex, marital status or disability. To reward employees for referring qualified candidates who subsequently are hired, AMS pays the referring employee a cash bonus of \$500.00 for each successful referral made in accordance with the following general provisions.

Provisions

- Positions that are eligible for an employee referral bonus payment will be identified as being eligible for a bonus payment on the HR policy board outside the offices. The statement will read: "This position is eligible for an employee referral bonus payment of

\$500.00. Employees referring candidates must comply with the Employee Referral Bonus Policy released September 8, 2008.”

- For each qualified candidate referred, the referring employee must complete and Employee Referral Form and submit it to the Human Resources Department. This form is logged in, and a record of the referrals included in the referring employee's file. Employees making a referral are responsible for informing the candidate of the vacancy, obtaining the individual's consent to having their name submitted, and where possible, having the individual submit an up-to-date resume and completed AMS application form. Anderson Machining Service, Inc's. Application form should list the name of the employee who made the referral.
- All candidates must meet the stated qualifications for the eligible job openings and are required, the same as all applicants, to demonstrate their skills or aptitude to perform the job.
- All candidates will receive equal consideration and are processed in the same way as other applicants.
- Once the final decision about the candidate is made and communicated to the applicant, the referring employee is informed of the final decision.
- Employee who refer a qualified candidate who is subsequently hired, successfully completes the initial training and remains employed for at least 6 months are eligible for a referral-bonus payment. This bonus is paid in one installment of \$500.00 after the new hire completes six months of employment.
- No referral bonuses are paid for referrals of candidates who are already employed by AMS, retirees, rehires, or persons returning from a leave of absence.
- To be eligible for the referral-bonus payment described herein, the referring employee must still be on AMS's payroll at the specified dates or qualify as an official retiree of Anderson Machining Service, Inc.

To avoid any possible conflicts of interest, referral bonuses are not paid for job candidates referred by the hiring manager, Management or employees working in the Human Resources department.

Anderson Machining Service, Inc. reserves the right to deny bonus payments to any employee who improperly makes promises or assurances of employment to prospective or actual candidates, or otherwise engages in improper or inappropriate conduct related to this program or other workplace activities.

14

Anderson Machining Service, Inc.

Employee Referral Program

Referral Form

Please complete the following information and send this form, with applicant's resume attached, to:

(Human Resources Department)

Employee Name Employee No.

Department Job Title

E-mail Address

Employee Signature Date

Applicant Name

- **Please give a detailed reason why you think this applicant would be a productive employee at Anderson Machining Service, Inc. Please also refer to the list of qualifications AMS deems as necessary to fill the position.**

**Anderson Machining Service, Inc
211 Collins Road
Jefferson, WI 53549-2021**

920-674-6003

Employee handbook:

Please accept this most recent copy of the Anderson Machining Service, Inc. Employee Handbook. We ask that you read and adhere to the policies contained herein. Further, by signing, you understand that Anderson Machining Service, Inc. may modify, revise and update this manual at any time.

Confidentiality agreement: 11/01/08 13:22 a9/p9L-B

We wish to recognize that we are working in a very competitive world market and the components we make are in many cases proprietary customer owned designs. For this reason, please recognize, when you sign the acknowledgement for this booklet you are also agreeing not to discuss the details of the products you see here with anyone who is not directly involved in the production process. This includes all designs, prints, tolerances, production processes, or uses of all items shared with us by our customers. All parts, both good and deviant are the property of our customer. It is illegal for a person working here to acquire or in any manner distribute these component parts.

We are very proud of our customers so it's OK to speak in a very general way, but no details, PLEASE.

Employee

Signature _____

HR

Signature _____

Date _____

Anderson Machining Service, Inc.
211 Collins Rd.
Jefferson, WI 53549-2021
920-674-6003

Employee Absence Agreement: Please review the Employee Attendance Policy below.

Attendance

Regular attendance is essential to Anderson Machining Service, Inc. Efficient operation is a necessary condition of employment. When employees are absent, schedules and customer commitments fall behind, and other employees must assume added workloads. Absence in excess of 40 hours occurring within a 12 month period will be considered during pay reviews. Employees are expected to arrive at work before they are scheduled to start, and be at their workstation to clock in by the scheduled start time. Anderson Machining Service, Inc. views attendance as one of the most important facets of your job performance review. All unapproved absences will be noted in the employee's personnel file. Excessive absences, including for Sick Leave, will result in disciplinary action, up to and including termination.

An employee will be considered absent for:

- Not reporting to work within one hour from the starting time of shift.
- Not calling in to the employee call in line and leaving a message.
- Leaving work prior to the scheduled end of the shift.
- Failure to report to work for overtime after agreeing with your supervisor to work overtime.
- Not being available to work normal scheduled work hours.

An employee with 3 straight call ins for illness will require a doctor's excuse to return to work.

An employee will be terminated for 3 no call/ no shows. We will assume you have left your position here at Anderson Machining Service, Inc.

During the probationary period for new employees, any absences over 24 hours, during your probationary time may result in termination.

Attendance and tardiness will also be influential in filling job openings and available overtime.

I _____ have read the Employee Attendance Policy and understand it fully and completely on the date of _____. I have asked any questions I have regarding this policy and they were answered by the Human Resources Department.