

BACHMAN MACHINE COMPANY CORPORATE POLICY

Effective Date: 09-01-2000 Supersedes Policy No. _____ Date: _____

SUBJECT: HIRING OF RELATIVES

Objective: The objective of this policy is to designate the Company position on the hiring of relatives into the Company work force and to present guidelines for those situations where related employees are already within the work force.

Scope: The scope of this policy shall apply to all locations of Bachman Machine Company and to all subsidiary operations.

Policy Statement: Bachman Machine Company will not provide preferential treatment to relatives of our current or former employees strictly on the basis of such relationships in its hiring, transfers, promotions or other employment related matters and will endeavor to avoid circumstances that may promote or give the appearance of promoting preferential treatment.

Although Bachman Machine Company has no prohibition against hiring relatives; we are committed to monitoring situations in which relatives work in the same areas. In case of actual or potential problems, Bachman Machine Company will take prompt action. This can include reassignment or, if necessary, termination of employment for one or both of the individuals involved.

Definition: For the purpose of this policy, a relative of an employee is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage. (I.E., a "relative" means a spouse, mother, father, mother-in-law, father-in-law, son, daughter, son-in-law, daughter-in-law, brother, sister, brother-in-law, sister-in-law, step-child, legally adopted children, and those related by blood such as aunts, uncles, nieces, nephews and cousins.)

Implementation: The employment of relatives in the same area of an organization can cause serious conflict and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried back into day-to-day working relationships.

- Relatives, if considered for employment and/or interviewed, must meet the same selection standards as other individuals. If hired, they must meet the same performance and promotion standards as other employees.
- Subject to the approval of Company ownership, there is no restriction against related employees working together in the same area provided related employees can be audited in their work performance to show that no preferential treatment is being given those individuals.
- When an employee becomes subject to a supervisory or auditing relationship, as mentioned above, the Company will make every reasonable effort to monitor the relationship to assure that no preferential treatment takes place in matters of pay, promotion, performance, attendance or overtime assignments.
- Should the employment relationship show any form of preferential treatment and it cannot be resolved, the Company will either transfer or terminate the employee with the least amount of Company service.
- This policy applies to all forms of employment including summer, part-time, full-time, and temporary work positions.

Effect: The effect of this policy shall be to:

- Present the Company position on the hiring of relatives into the Company work force.
- Defines the meaning of “Relative” as used to determine the relationship of employee and/or previous employee to the employee in the current work force.
- Establishes an auditing responsibility for the Company for the situation where related employees are working within the same work area or whose work efforts may be supervised by another relative.
- Provides a guideline that indicates where, when, and how an employee that is related may work together or be supervised by another relative.
- Defines which employee may be transferred or terminated in situations where the working relationship of relatives did not work out.