

## **BACHMAN MACHINE COMPANY CORPORATE POLICY**

Effective Date: 01-01-2000 Supersedes Policy No. \_\_\_\_\_ Date: \_\_\_\_\_

**SUBJECT:** DISCIPLINARY ACTIONS / EMPLOYEE CONDUCT CODE

**Objective:** The objective of this policy is to establish guidelines for the issuance of disciplinary actions necessary to provide acceptable, productive, and orderly job conduct; to provide fairness and consistency in the treatment and discipline of the employees; and to identify those actions that require progressive discipline do to the type and/or frequency of the violation. These guidelines must be consistent and equitable so that all employees receive like treatment for similar offenses.

**Scope:** The scope of this policy applies to all locations of Bachman Machine Company and its subsidiary operations.

**Policy Statement:** Open communications between management and employees and the establishment of a friendly, cooperative work atmosphere go a long way toward eliminating serious disciplinary problems. However, all successful organizations must also have rules in order to operate their business in an orderly and efficient manner, to make cooperation with employees easier and to insure that each employee is treated consistently, fairly and equitably. At Bachman Machine Company, we have created a work environment that is both safe and pleasant to work in and has a minimum of restrictive work rules.

Employees are expected to conduct themselves in a manner that promotes the safety and welfare of other employees, encourages good work habits and protects personal and Company property.

When conduct standards are violated employees and disciplinary problems arise, supervisors must make every effort to ensure that employees have a thorough understanding of Company policies and an awareness of what is expected of them in the area of job performance. Infractions and violations should be dealt with quickly, fairly and firmly. Consistency and documentation are key to a successful disciplinary program.

## Definitions:

The term discipline will be understood as meaning “a state of orderliness” such as in a “disciplined team” or in a “disciplined performance”. Therefore, disciplinary action is an action being taken for the purpose of developing or maintaining an orderly way of doing things. The following provisions are generally confined to negative actions or sanctions to be issued in the event of unacceptable employee behavior, performance, actions or activities.

The term “minor offense” or “minor violation” are those violations of the Employee Conduct Code which are unacceptable if repeated, but for which the employee will not be discharged for a first offense or violation.

The term “major offense” or “major violation” are those violations or offenses for which the employee’s conduct is of such a nature that the first offense or violation may indicate that continued employment of the employee may not be in keeping with the best interest of the Company. A suspension and/or a discharge may be issued depending on the seriousness of the action.

Progressive Penalties: When handling matters requiring disciplinary action such as poor productivity, unsatisfactory or unsafe job performance, infractions of safety or conduct rules, tardiness or excessive absenteeism, the supervisor will generally be guided by following progressive disciplinary actions. In most instances, disciplinary actions will follow a pattern of steps but, depending upon the seriousness of the offense, **ANY STEP MAY BE BY-PASSED**. The following is the suggested sequence of progressive discipline;

<u>Offense</u>	<u>Action</u>	<u>Maximum Penalty</u>
First	Verbal warning	No penalty, a written note to the employee’s personnel file should indicate the date and content of the verbal warning .
Second	Written warning	Copy of warning to the employee’s file with time off (optional) for repeat or serious (major) violations.
Third	Final warning	Copy of warning to the employee’s file with suspension and/or discharge, depending upon the seriousness and/or frequency of the violation.

Documentation of all verbal and written warnings is important to avoid the situation of an employee being discharged with no written proof of earlier warnings. In most cases, it is advisable to give an employee at least one documented verbal warning and one written warning before deciding upon termination. However, “any step may be by-passed or omitted, depending upon the seriousness and/or the frequency of the violation.

Supervisory Responsibility: Whenever any personnel problem occurs with respect to unsatisfactory performance, attendance or any other matter affecting the orderly execution of job requirements, the supervisor is expected to handle the situation promptly, constructively, and in a tactful manner. Avoiding or putting off needed action of this nature constitutes neglect of supervisory responsibility, undermines overall management effectiveness and frequently results in an injustice to the employee and a reduction of overall employee morale.

Investigation of Misconduct: A supervisor who becomes aware of suspected employee misconduct should promptly commence a thorough investigation of the incident, and this must include asking the employee for an explanation of his/her actions. If the suspected misconduct would constitute a serious offense, the Human Resource Department should be notified as soon as practicable. Department Managers and Supervisor’s are responsible for insuring that the Company’s personnel conduct regulations are observed by all employees and that they are consistently and fairly enforced.

#### Classifications of Disciplinary Actions:

A Verbal Warning (Employee Counseling): The supervisor counsels the employee following a minor offense in an effort to eliminate possible misunderstanding and to explain what constitutes proper conduct. Before a written warning is issued, a verbal counseling should be given to the employee. Notice of the verbal warning should be documented in the employee’s personnel file and/or a supervisors note files.

A Written Warning: If some noticeable improvement has not taken place within the time frame granted in earlier warnings, it will be necessary to give an employee a written warning. Generally, an employee receives a written notice of discipline following a major violation or a serious misconduct or for further repeated minor offenses.

A written Warning may be done in the form of a memo or on a standardized disciplinary notice form. In any case, having the employee sign the form only

acknowledges the receipt of the written warning by the employee and does not indicate that the employee concurs with or agrees with the information contained in the warning. Copies of the written warning should go into the employees personnel files and a copy given to the employee. If the employee fails to improve by the date given on the warning, other disciplinary action, including termination, may result. Following a written warning, the supervisor should periodically consult with the employee to check on the progress and improvement in the problem area. Consultations should be accurately documented as to the dates and outcome of the meeting(s).

A Final Warning: The purpose of a final warning is to make certain that the employee understands the seriousness of the misconduct and/or violation and that further misconduct or violations will likely result in a discharge. Generally, in a final warning situation, a suspension is issued to the employee for a set amount of time. Suspensions work best when the problem is not serious enough to warrant discharge, but the supervisor needs to take action in order to reinforce what is acceptable conduct. During the suspension time frame, the Supervisor, Department head and the Human Resources Manager shall meet and discuss the employee's disciplinary file, how well he/she works with the Company, and if there will be any future employment opportunity with the Company. If it is felt that the employee can not be salvaged and/or molded into an acceptable employee or if it is determined that it is not in the best interest of the Company, the suspension previously issued to the employee will be converted into a discharge for cause.

A Discharge: An employee can be discharged as a result of a major offense , with or without improvement or correction, or as the final step in the accumulation of multiple minor offenses of the same nature, with or without improvement.

Retention Of Disciplinary Warnings: All forms of disciplinary warnings and/or counseling shall be maintained in the employee's personnel file for reviewing when establishing if the next step in progressive discipline should be issued. Verbal warnings (counseling), issued in written format for documentation purposes, shall be maintained in file for a period of up to one (1) year. All written warnings (major offenses and/or violations) shall be maintained in an employee's file for a minimum of two (2) years from the date of the warning. Final warnings will be maintained for the duration of the employee's service. Copies of all warnings and/or disciplinary actions will be kept in the personnel file of the employee for use in determining the next appropriate progressive discipline and for audit purposes. It shall be up to the discretion of the supervisor to suggest the removal of a warning prior to the full time period. Each decision to do so and each situation will be decided on an individual case by case method.

Purpose Of Disciplinary Action: The Employee Conduct Code outlines the expected behavior and rules governing employee conduct and responsibilities which have been established in the best interest of the Company, its customers, visitors, and its employees. Accordingly, a violation of the employee conduct code constitutes misconduct on the part of the employee and the supervisor or department head should initiate appropriate disciplinary measures. Such disciplinary measures should be issued and administered in an objective and constructive manner, intended to motivate the employee toward proper conduct in the future and the timely resolution of any existing conflict. Each step in the disciplinary procedure is to be regarded as a corrective and constructive measure and is to be combined with the appropriate instructions that, if followed by the employee, would make further step of discipline unnecessary. Whenever disciplinary actions are issued, supervisors shall view each employee in an equally fair and tactful manner, with an effort to insure the consistency of the penalty for like or similar violations.

Company Rights: The Bachman Machine Company reserves the right to discipline any employee for any offense not specifically stated or identified in the employee conduct code and to supplement, interpret, alter, modify or amend the employee code at any time. Any failure of the Company to enforce any of the provisions listed in the employee conduct code in any one or more instances shall not be considered a waiver of that right.

The Employee Conduct Code: In establishing what is considered to be reasonable employee conduct, no attempt can be made to include all possible breaches of good conduct. However, within the following listing are types of actions and/or conduct that are not acceptable or conducive to the orderly operation of the Bachman Machine Company. The conduct of all Bachman Machine Company employees shall be in accordance with basic, general personnel conduct regulations which the Company has established to help carry out its operations efficiently and to properly protect the safety and general rights of all employees, customers, vendors, etc. Violations of any of the Company employee conduct code stated in this policy will constitute grounds for disciplinary action which can range from verbal warnings to immediate discharge, depending on the seriousness and the frequency of their offense.

## EMPLOYEE CONDUCT CODE

1. Actual or threatened physical violence, disorderly or unruly conduct towards another employee while working or on company property, regardless who is the aggressor.

2. Insubordination, including improper conduct toward a supervisor or refusal to perform tasks assigned by a supervisor in the appropriate manner. Any refusal to carry out a direct request, instruction, or other Company rule, unless the refusal is proven to be unsafe to the employee.
3. Possession, distribution, sales, use or being under the influence of alcoholic beverages or illegal drugs while on company property, reporting to work under the influence of drugs or alcohol or while on duty, or while operating a vehicle or potentially dangerous equipment leased or owned by the Company.
4. Release of confidential information about the Company or its customers. Disclosing trade secrets or other confidential information to outside sources.
5. Theft or unauthorized removal, use, or possession of property the Company, fellow employees, customers, or anyone else on Company property.
6. Altering or falsifying any time-keeping record, intentionally recording another employee's time, allowing someone else to record your time card, removing any time-keeping record from the designated area without proper authorization or destroying such a record.
7. Bringing onto Company property dangerous or unauthorized material such as firearms, explosives, knives, or other similar weapons or items.
8. Violating safety or health rules or practices engaging in conduct that creates safety or health hazard.
9. Absence of three or more consecutive workdays without notice to your supervisor or the Human Resources department, unless a reasonable excuse, acceptable to the Company, is provided.
10. Leaving the plant or one's department during working hours without prior approval of the supervisor or leaving prior to the end of a scheduled shift without approval of the supervisor.

11. Failure to return from a leave of absence (medical, personal, or disciplinary) or from vacation on the scheduled date.
12. Sleeping during working hours or any other attempt to slow or restrict production efforts.
13. Falsifying or making a material omission on an employment application, insurance claims, workmen's compensation claims or any other Company record, regardless when it is discovered.
14. Conviction of outside criminal activities or any other conduct that is deemed not to be in the best interest of the Company.
15. Harassment of another employee, vendor, contractor or other non-employee or immoral or indecent conduct during working hours.
16. Participating in any actions considered horseplay, regardless if an injury or accident is not involved.
17. Poor quality work, carelessness, negligent work performance, abuse or misuse of Company tools machinery, equipment or materials.
18. Excessive absenteeism or tardiness, as determined by management.
19. Refusal to cooperate in or the giving of false information during any investigation concerning work related injuries, insurance claims processing, harassment activities, or thefts.
20. Failure or refusal to work reasonable overtime as required or instructed by Supervision.
21. Inducement of another employee to break any standard of conduct, safety rules, or Company policies.
22. Any other that the Company, in its sole discretion, considers detrimental to the legitimate business interests of the Company.
23. Failure or refusal to permit inspection of items such as lockers, vehicles, packages, lunch boxes, tool boxes, etc. when requested.

24. Having three disciplinary offenses and/or warnings within any twelve (12) month time period.

25. The removal, tampering, unauthorized modification, mutilation, or destruction of any safety, hazard communication (MSDS) sheets, labels or health signage.

Effects: The effect of this policy shall be to:

- Provide employees with the proper notice of unacceptable conduct in sufficient time to permit self-correction and improvement in their actions.
- Insure that documentation is available to support management's position in the event of discriminatory charges with respect to sex, race, age, disability etc.
- Provide a listing of actions and/or activities that, if violated, would be cause for disciplinary actions against an employee.
- Identify the supervisor's responsibilities concerning the disciplining of employee under their charge and their need to investigate and discipline those employees who violate the employee conduct code.
- Define the various steps available in under the progressive discipline format, as well as, the maximum penalty for each step.
- Set forth the time frame for the retention of an employee's warnings and other disciplinary actions.
- Establish a sense of fairness and consistency in the disciplinary actions issued to those individuals who violate the employee conduct code.