

BACHMAN MACHINE COMPANY CORPORATE POLICY

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

SUBJECT: FAMILY MEDICAL LEAVE ACT OF 1993 (FMLA) POLICY

Objective: The objective of this policy is to provide both the Company and its employees with the necessary guidelines, requirements, and information needed to both meet and maintain compliance with the requirements of administering and use of the Family Medical Leave Act of 1993 (FMLA).

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

Policy Statement: It shall be the policy of Bachman Machine Company to provide employees leave under the Family Medical Leave act of 1993 (FMLA). The following is a listing of the eligibility requirements and guidelines required to be met by those employees for use under the FMLA program:

Service Length Requirement: Those employees who have been employed for at least 12 months and for at least 1,250 hours during the previous 12 month period may be entitled to up to 12 weeks' leave (ordinarily unpaid) during a rolling 12 month period, commencing on the day leave begins, provided certain requirements are met, under the following circumstances:

- A. For the birth and care of a child, provided, however, leave is taken within twelve (12) months following birth;
- B. For placement of a child through adoption or foster care, provided, however, leave is taken within twelve (12) months following placement;
- C. For care of a spouse, child or parent suffering from a serious health condition, where the employee is needed to care for such person; and

- D. For the employee's own care, provided the employee suffers from a serious health condition that renders the employee unable to perform any essential functions of their position.

Serious Health Condition: A "Serious health condition," within the meaning of (3) and (4) above is a very limited term and will be determined in accordance with the Act and its Regulations.

Maximum FMLA Leave Time Available: All leave granted under this policy, including intermittent and /or reduced leave, will be applied against the (12) twelve week maximum.

Advanced Notice: Eligible employees are required to provide at least thirty (30) days' advanced notice of the need for leave when foreseeable under (1) and (2) above, or for planned medical treatment pursuant to (3) and (4) above. When unforeseen events occur that requires leave under this policy, notice must be given as soon as practicable, ordinarily not later than three (3) working days before the leave is to begin.

Written Certification: An employee who requires leave under (3) or (4) above must, within fifteen (15) calendar days after providing notice of the need for leave, submit the prescribed written certification form, signed by the appropriate health care provider, verifying, among other things, the data on the prescribed form. Failure of the employee to submit the prescribed form within the fifteen (15) days after providing notice of the need for leave will result in delay of leave until certification is submitted and if the certification is not provided, the leave is not FMLA-qualifying. An employee may be required to obtain a second medical opinion, at the Company's discretion and at the Company's cost. If the two (2) differ, the Company and the employee will select another health care provider for a third (3rd) opinion, at the Company's expense, and that opinion shall be final and binding. Subsequent recertification may be required in accordance with the law.

Intermittent Leave Requests: Intermittent leave requests or requests for a reduced leave scheduled under (3) and (4) above are subject to the same rules as stated in (B) and (C) above and hence a health care provider's certification of medical necessity and the expected duration and schedule of the leave must be submitted on the prescribed form. The employee must, however, make a reasonable effort to schedule medical treatment so as to not unduly disrupt business operations. Further, if the need for leave is unforeseeable based on planned medical treatment, the Company reserves the right to transfer the affected employee temporarily to an alternate position with equivalent pay and benefits for which the employee is qualified, if the transfer better accommodates the requested leave.

Husband / Wife Both Employed: Eligible employees who are husband and wife are limited to only a combined total of twelve (12) weeks of leave during any twelve (12) month period, if the leave is taken (1) for the birth and care of a child; (2) for placement and care of a child; or (3) to care for a parent (but not a “parent-in-law”) with a serious health condition. Where the husband and wife both have used a portion of the twelve (12) week entitlement for (1) one of the above purposes, each is entitled to the difference between the amount he or she has taken individually and twelve (12) weeks to care for a child with a serious health condition or to care for their own serious health condition.

Vacation Leave Requirement: Employees are required to substitute and exhaust accrued vacation pay and/or the personal holiday pay for leave under (1), (2), or (3) above. Employees as required to substitute and exhaust accrued vacation pay, the personal holiday pay and/or sick leave pay requested under (3) or (4) above. Such substituted paid time will be applied against the twelve (12) week maximum.

Payment Of Benefits Premiums: During the twelve (12) week maximum leave period, coverage under the group health plans, if any, will be maintained at the level and under the conditions coverage would have been provided had leave not been taken. Employees will be required to continue to pay their portion of the premiums as if they had not taken leave. Said premiums will be paid in two (2) possible ways: (a) if a portion of the leave is paid pursuant to (F) above, then the ordinary payroll deduction system will be used, to the extent possible; and/or (b) to the extent that payroll deductions do not cover the entire premium cost for which the employee is responsible, the employee must deliver to the Company the full monthly cost of said premium on or before the last day of the month prior to the month for which coverage is desired; one written reminder will be provided, and if the full portion of the premium has not been received by the date specified in the written reminder, the coverage will lapse as of the last day of the month for which the full coverage premium was paid.

Returning To Work: If an employee fails to return to work for at least (30) days after expiration of the leave the Company reserves the right to recover premiums paid, if any, to maintain the employee’s coverage during the leave period under circumstances provided by law.

Restoration: As a condition of returning to work from a leave granted pursuant to (4) above, the employee must make a timely presentation of a certification from his/her health care provider that the employee is able to resume work. Restoration will be denied until the certification is presented. An employee returning from leave under this policy, who has complied with its terms, generally will be restored to the same (or

equivalent) position the employee held prior to taking of the leave. A returning employee does not, however, have a greater right to restoration or other benefits than if the employee had been continuously employed during the leave period. Employees are to notify the Human Resources Manager of their intent to return to work at least two (2) weeks prior to the anticipated date of return.

Voluntary Resignation: An employee who, within the calendar year, has exhausted his/her twelve (12) week maximum and fails to return to work, shall be considered to have resigned with out notice and his/her employment will be terminated unless he/she applies for, and has been granted, leave under some other policy of the employer.

Final Draft of FMLA: The foregoing Family and Medical leave Policy has been drafted to comply with the Family and Medical Leave Act of 1993 and its Final Rules published by the Department of Labor. This law, and its rules, consists of more than one hundred and twenty (120) pages of detailed rules and regulations, and hence, it is not possible in this policy to address all possible issues that may arise. Suffice it to state that the Company will, in its discretion, apply and interpret this policy consistently with the law, its rules and persuasive case law. As with all other policy provisions, the Company reserves the right to revise and change this policy, at any time, in its sole discretion.

FMLA Notice To Employees: A notice to the employees under the FMLA, (29 CFR 825.301(a)(1)), is posted on the Company bulletin boards. This notice further explains the employee's rights and responsibilities under the Act. Any employee who believes that he/she is entitled to or would like to request leave under this policy, or who has any questions about this policy, should speak with the Human Resources Manager for further details.

Effect: The effect of this policy shall be to:

- Provide the guidelines, requirements and information required to assure that Bachman Machine Company is in compliance with the Family Medical Leave Act of 1993 (FMLA)