

BACHMAN MACHINE COMPANY CORPORATE POLICY

Effective Date: 01-01-2001 Supersedes Policy No. _____ Date: _____

SUBJECT: EMPLOYEE REFERRAL BONUS PROGRAM

Objective: The objective of this policy is to provide Bachman Machine Company with another source of qualified job applicants through the use of employee referrals. Secondly, employees who are successful in referring qualified employees can earn additional monies if their referral is hired and employed a specified length of service. This may also assist the Company by limiting the costs of outside recruitment advertisements.

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

Policy Statement: In order to continue to provide Bachman Machine Company with the required manpower that has the appropriate skill sets and good work ethics, alternative means of identifying, recruiting, attracting and retaining an adequate workforce must be considered. One of the most useful sources that we can use is that of our own qualified employees. In order to facilitate the recruiting process, Bachman Machine Company is encouraging our current workforce to refer candidates that they feel may be qualified to fill approved and/or open positions. It shall be the policy of Bachman Machine Company to reward individual employees with additional dollars for all candidates that are employed through their referrals and meet certain service length requirements.

Eligibility: All Bachman Machine Company employees are eligible to receive a referral bonus with the exception of any Company officers, management personnel or any Human Resources Department personnel.

Procedure: To refer an individual for an open and approved company position, the referring employee must do the following:

1. Complete an Employee Referral Form, FHR-54;
2. Submit the completed form to the Human Resources Department **with** the referred individual completed application and/or resume.

Employment applications and Employee Referral forms, FHR-54, are available from the Human Resources Department. Because Bachman Machine Company can not rely solely on the referral of individuals by our existing employees, any employment consideration will be based on the referral candidates qualifications, skills set, previous employment and abilities as they relate to the position requirements that the Company is attempting to fill. Referrals will be handled in the same manner as other applicants with all employment considerations being handled strictly on a confidential basis.

Employees are to keep in mind the purpose of this program when referring individual, to the Company. By establishing this program, it is the goal of the Company that any employee referred by a current employee will not only meet the general skills and requirements of the position, but also will have a good work ethic, the drive and willingness to learn and improve themselves, and potential to contribute to our future Company growth and needs.

Referral Bonus Guidelines: The following are the guidelines that must be followed when submitting a referral to the Employee Referral Bonus Program:

A. Bonus Amounts To Be Paid as follows:

1. A referral bonus will be paid to the referring employee who refers a candidate who is hired by Bachman Machine Company. For all positions, the bonus amount paid will be \$50.00 after the new hire has completed 90 days (three months) of employment, \$75.00 after the completion of 180 Days (6 months), and \$100.00 after the completion of one year of service.
2. All bonus amounts will be subject to normal payroll taxes and will be paid on the regular weekly/bi-weekly payroll check.

B. General Guidelines

1. The referring employee must be an active employee and on the active payroll roster at the time of the referral. Both the referring employee and the referral employee must be on the active payroll at the time the referral bonus is paid.
2. Active employees cannot make any verbal or written commitment to the individual that they are referring. The referring employee will have no say in the hiring or interview process. Employment consideration will be based solely on the referral's qualifications, skill sets, abilities and background, as they apply to

the position in question.

3. A management level employee will be the final authority in determining whether or not an individual who was referred is hired. All information regarding the referred individual and the Company's decision to hire or not to hire will remain confidential.
4. If more than one employee refers the same individual, the first referral received and dated by the Human Resources Department will qualify for the bonus.
5. Employees shall not receive referral bonuses for referring members of their family, previous employees or temporary worker currently or previously employed by Bachman Machine Company.
6. There will be no limit to the number of referrals or referral bonuses an employee may make or receive.
7. The employee referral bonus program will not replace any other types of recruitment effort ongoing in the Company.
8. This Employee Referral Bonus Program may be discontinued or modified at any time at the discretion of Bachman Machine Company.

Effect: The effect of this policy shall be to:

- Encourage current employees to refer qualified individuals as candidate for open and approved Company positions by establishing an employee referral bonus plan for successful referrals.
- Provide an additional means of recruiting qualified employees while reducing the need for outside advertising and the costs associated with it.
- Establish the eligibility for a referral bonus, the referral bonus amounts and the time specified when the bonus amounts are to be paid.
- List the guidelines for the program

**EMPLOYEE REFERRAL BONUS PROGRAM
REFERRAL FORM**

Name of applicant being referred _____

What Position is this applicant being referred for? _____

Name of The Employee Making
The Referral: _____

Date Of This Referral: _____

What is your relationship with this applicant? How do you know about his/her
qualifications for the
position? _____

**NOTE: Attach a copy of the referral applicant's resume and/or
application to this form so that the candidate's qualifications and
background can be reviewed and evaluated by the Human Resources
Department.**

If this applicant is employed through the referral efforts of the above named
employee, that employee will be awarded the appropriate bonus amount on the
appropriate guideline date and every guideline date thereafter.