



# **EMPLOYEE OWNED HOLDINGS, INC. AND ITS AFFILIATES**

## **PERSONNEL POLICY HANDBOOK**

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## **NOTICE**

This revised Personnel Policy Handbook is intended to familiarize our employees with our Company policies and philosophy of conducting our business.

The Handbook is intended as a guide only, and is **NOT TO BE CONSIDERED A CONTRACT** with the Company guaranteeing employment for any specific duration or for any other purpose.

Although Employee Owned Holdings, Inc. and/or its affiliates (the “Company”) hope that employment relationships will be long-term, employment with the Company is “at-will” and is not for a fixed term or definite period. This means that either the employee or the company may terminate the employment relationship at any time, without cause or notice. It is emphasized that no officer or representative of the company, except for the President of the Company has the authority to enter into any agreement, oral or written, for employment for any specific period or to make any promises or commitments contrary to the foregoing. Further, any employment agreement shall not be enforced unless it is in writing and properly authorized.

From time to time, the information included in this Handbook may change. The Company reserves the right to revise, amend, suspend, cancel or discontinue any policy or procedure or benefit contained in this Handbook at any time and without prior notice. Please note that this Handbook as revised supersedes previous versions of the policies contained herein. While the Company will make every reasonable effort to keep employees informed of such changes through suitable lines of communication, any revision, amendment or discontinuation shall be effective immediately unless otherwise noted. The interpretation of this Handbook is at the sole discretion of Company management.

## **INTRODUCTION**

### **A Short History of the Company**

Employee Owned Holdings, Inc. (EOHI) is the parent of Hydraquip, Inc., Supreme Integrated Technology, Inc., MMRE, Inc., and GCC (Gulf Controls Company, Inc.). EOHI traces its roots back to three defense engineers from California who headed to Texas with a trunk load of Vickers valves and a dream of running a fluid power business. That dream turned to reality when Hydraquip Corporation was chartered as a Texas corporation in January 1951, with three employees/stockholders: Frank H. Smith, Clifford McNeill and James Gibbens.

The original group of three eventually disbanded after Hydraquip Corp. was chartered. In 1953, Gibbens sold his interest to Smith and McNeill and formed Air-Dreco Corp. in Houston. In 1958, McNeill was killed in a boating accident, and the company purchased his stock. Also that same year, Carl Poling & Hal Wahlstrom joined the remaining original member, Frank Smith, to keep the company operating and expanding.

In 1974, Hydraquip Corporation elected to sell treasury stock to key employees. As of January 1980, only seven employees owned stock in the company. The corporate bylaws did not permit anyone other than Hydraquip Corporation employees to own stock in the corporation so if a stockholder left Hydraquip Corporation for any reason, his or her stock was sold either to Hydraquip Corporation or to other eligible stockholders.

In January 1985, Hydraquip Corporation converted its profit sharing plan to an Employee Stock Ownership Plan (ESOP), allowing all of the employees to be owners of the company and setting the foundation for the structure of the company we enjoy today. In October 1986, Mr. Frank Smith retired from Hydraquip Corporation.

Although Hydraquip Corporation was based in Houston, Texas, it also operated with Texas offices in Arlington, San Antonio, and Longview as well as an office in Kenner, LA. In March 2002, Hydraquip Corporation expanded into Oklahoma with the acquisition of Air & Hydraulics Inc., a 25-year-old distributor based in Tulsa and Oklahoma City.

On January 1, 2007, Hydraquip Corporation established its current structure of the business to streamline its operations. Hydraquip Corporation divided into three different corporations: Employee Owned Holdings, Inc.,

Hydraquip, Inc. (formerly Hydraquip Distribution, Inc.) (HYD) and Hydraquip Custom Systems, Inc. (HCSI). Hydraquip, Inc. continued the traditional value-added products business, and HCSI focused on the marine and complete systems arm of the company. EOHl became the holding company and parent of HYD and HCSI, providing accounting, marketing, human resources, legal, information technology, and management services.

The Company continued to grow by adding Supreme Integrated Technology, Inc. (SIT), a subsidiary of EOHl created in 2008 to focus on structural design and complete system integration. In 2011, MMRE, Inc. was incorporated to be an EOHl subsidiary handling the real property holdings of the Company.

2013 was a busy year for EOHl. The Company acquired the assets of the Louisiana based Huber, Inc. in May, bringing two new Louisiana locations to the Company. Then in July, EOHl acquired the Florida based distribution company, Gulf Controls Company, LLC, which was repositioned as Gulf Controls Company, Inc. (GCC). GCC was founded in 1969 by George Johnson and Andrew DeBoer.

In 2014, HYD expanded its geography again with its acquisition of Emrick & Hill, Inc. based in Denver, Colorado. In 2015, the Company added a new entity, Elite Controls, Inc., (ECI) which combined the Mechatronics department of HCSI with another acquisition, the New Jersey-based Logical Controls Concepts, LLC, with this new team relocating to Houston. However later in 2022, ECI merged into HYD where it is run as a separate business division, Hydraquip Electric Systems.

In 2016, HCSI merged many of its operations into SIT and wound down its business. In 2018, GCC acquired assets of the Fluid Power business of Valin Corporation, adding locations for GCC in Washington and Oregon. In conjunction with this acquisition, GCC rebranded to using the actual name “GCC” for its business in all locations.

In 2021, SIT acquired CS Controls, a Houma Louisiana based business similarly involved with providing solutions for maritime military projects. Also in 2021, Hydraquip acquired Flint Hydraulics, a distributor and repair business based in Memphis, Tennessee.

The Company’s primary operating philosophy continues to be based upon the ESOP ownership culture as well as honesty and integrity in all dealings whether with employees, suppliers or customers.

### Description of the Company

EOHl is the parent entity for this family of companies specializing in the fluid power industry. EOHl provides management services and corporate operations for its subsidiaries, including accounting, IT, marketing, human resources and legal services. EOHl, which is based in Houston, Texas, is also responsible for the operations of the Company’s ESOP.

HYD is a wholesale distributor that sells and services a comprehensive array of fluid power components, automation, and motion control systems primarily to customers in Texas, Oklahoma, Louisiana, Colorado, Tennessee, Mississippi, Arkansas, New Mexico and Arizona. HYD specializes in selling and servicing fluid power products for a number of manufacturers under agreements providing a certain designated geographical area (referred to as “APR” or “area of primary responsibility”) where HYD may provide such products. HYD provides its customers with unique value, using a highly technical, certified sales force who can assist in system design and completely support the products sold through their lifecycle. In addition, HYD is factory authorized to perform repairs, warranty inspections, component conversions, and complete solution packages for its customers.


SIT provides additional expertise in structural design as well as fluid power systems to deliver innovative solutions for its customers. SIT designs custom systems and structures based on customer requirements for the marine, civil and offshore industries. SIT’s high-tech business is focused on turn-key products which include control and feedback loops, fluid power generation, distribution equipment, actuators and structural devices or components. Huber, a subsidiary of SIT, specializes in government and military applications.

GCC is a fluid power and motion control distributor serving the territories of Washington, Oregon, Florida, Alaska, parts of Idaho, southern Georgia and Puerto Rico. However, in 2025 GCC will be expanding to also service the states of West Virginia, Virginia, North and South Carolina, Tennessee, and Georgia. GCC provides fluid power and pneumatic expertise to unique industries including animatronics, life science, and industrial

automation.

#### **Company Business Philosophy/Policy**

In addition to the policies herein, Company employees should refer to and review the Company's *Code of Ethics and Business Conduct* regarding the policies and procedures to grow the Company in a financially sound manner while operating on a high ethical level.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-001	<b>CURRENT REVISION:</b>  6	
<b>EFFECTIVE DATE:</b>  1/1/2025	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Company Employment Policies (EP)		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-001 - COMPANY EMPLOYMENT POLICIES (EP)

### Equal Opportunity for All (EP-1)

It is the policy of Employee Owned Holdings, Inc. and/or its affiliates (the “Company”) to provide equal employment opportunity to all applicants and employees in accordance with all applicable federal, state, and local laws. The Company will not discriminate against any employee or applicant for employment because of race, color, religion, sex, ethnicity, national origin, age, handicap, pregnancy, disability, veteran status or any other characteristic or factor protected by applicable federal, state, or local law. Qualification for employment and promotion are based solely on qualification and ability to perform the job to be filled, and, in addition, upon performance, dependability and reliability, once hired.

Diversity, Equity, and Inclusion are at the heart of the success at EOH and its subsidiaries. As an employee-owned company, the diversity of employees is valued, and every employee is treated with dignity and respect. The Company strives to live by the five (5) company values – Acts with Integrity, Laser Customer Focus, Work Smart, Always Seeking Improvement, and Produce Results – which are embedded in how business is conducted internally and externally. Fair, honest, and ethical business practices are used to help the Company achieve its goal to provide value to clients while staying rooted in the foundation of a family-friendly employee-owned culture.

It is the Company's policy to comply with the Americans with Disability Act. Under this Act a qualified individual with a disability who can perform the essential functions of the position with or without a reasonable accommodation is protected from discrimination due to his or her disability.

Examples of reasonable accommodations that may be provided if they do not impose an undue hardship on an employer include modifying work schedules; purchasing or modifying equipment (such as Telecommunications Devices for the Deaf); changing a desk lay-out or rearranging office furniture; or reassigning the minor or marginal functions of a job to another employee. Generally, it is the obligation of the individual with a disability to request a reasonable accommodation from the employer.

### Physical Examination and Testing (EP-2)

It is the policy of the Company that an applicant for employment may be required to pass a physical examination following a conditional offer of employment. Any physical examinations or medical test required by the Company will be paid for by the Company, and performed by a physician or facility designated and approved by the Company. Current employees may be required to undergo medical examinations or tests whenever the company deems such examinations or testing are necessary for safety and efficiency.

Information obtained regarding the medical condition or history of any applicant or employee will be collected and maintained on separate forms and in separate medical files and will be treated as a confidential medical record, except that if required by regulation or law, such records will be made available to the employee, persons specifically designated or authorized by the employee, insurance companies, or governmental officials investigating compliance with any applicable law or regulation. In addition, managers may be informed regarding necessary restrictions on the work or duties of an employee and necessary accommodations as well as first aid and safety personnel, when appropriate, if the disability might require emergency treatment.



### **Trial or Probationary Period (EP-3)**

For the first 90 days of employment, all employees are considered to be probationary and may be terminated during that period without the accrual of any benefits described in this Handbook. Successful completion of this probation period does not guarantee continued employment or alter the employment-at-will relationship. The supervisor will advise employees if they have successfully completed the probationary period and are to be considered a regular full-time employee, unless one is specifically hired as part-time or temporary.

### **Anniversary Date (EP-4)**


The date one's non-probationary employment begins is their "official" anniversary date, used to compute PTO allowances and other benefits described in this Handbook.

### **Bonding Requirement (EP-5)**

Employees in certain positions are required to maintain qualifications, credentials and references in order to be bonded. Employees who fail to maintain these qualifications may be dismissed.

### **Hiring of Relatives (EP-6)**

Employees who are related to each other as immediate family or members of the same household may not work together within the same department of the company when doing so would create a direct supervisor/subordinate relationship, or create either an actual conflict of interest or the appearance of a conflict of interest. Employees should report to their supervisor regarding any possible issues with the above.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-002	<b>CURRENT REVISION:</b> 5	
<b>EFFECTIVE DATE:</b> 1/1/2025	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Wage and Salary Policies (WS)		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-002 - WAGE AND SALARY POLICIES (WS)

### Payday & Hours of Work Week (WS-1)

Salaried and hourly employees of Employee Owned Holdings, Inc. and/or its affiliates (the “Company”) are paid semi-monthly. Pay dates are by or on the 15th and last day of each month, unless these days fall on a Saturday, Sunday, or a holiday, in which event salary should be paid the last workday prior to the weekend or holiday. For commissioned employees the pay dates are the same and are based upon receipt of payment of invoices according to the terms and conditions of any applicable commission plan or employment agreement.

### Employment Classification (WS-2)

Regular Full-Time	A person is considered regular full-time when he or she is hired for a non-specified period of time.
Temporary	A person who is hired for a specified, limited period, or until a certain assignment or task is completed, will be considered as temporary personnel. Temporary employees are typically hired for summer employment or during seasonal fluctuations.
Full-Time	A full-time employee is one that works at least 30 hours a week. Full-time employment can be either regular or temporary.
Part-Time	A work week of less than 30 hours will be considered part time.

**NONE OF THE ABOVE EMPLOYMENT CLASSIFICATIONS CHANGES OR ALTERS THE AT-WILL NATURE OF ANY INDIVIDUAL'S EMPLOYMENT AT THE COMPANY.**

### Overtime Pay (WS-3)

*Qualified employees* (meaning generally hourly paid or non-exempt employees covered under federal overtime pay provisions) are paid time and-a-half their basic hourly rate for all hours worked over forty (40) in any workweek. A workweek for this purpose is defined as seven consecutive twenty-four hour periods. The normal workweek is Monday through Sunday, beginning and ending midnight on Sunday. The standard business hours are 8:00 AM to 5:00 PM, Monday through Friday. However, distinct work weeks and work hours may be established for different employees, groups of employees, or different company locations. Holidays, sick time, approved absences, or other absences during the workweek will not be considered as work time as far as a basis for overtime is concerned. Using a lunch hour to make up lost time, approved time off, or to be used for overtime is not permitted except for emergency situations.

No overtime work is to be performed unless requested or authorized by the supervisor, in which event employees are to keep an accurate account of the time worked and submit the record to their supervisor.

#### Approved Absences (WS-4)

Approved absences are any time that an employee takes off with approval of Company management that is not PTO. If it is necessary for one to take time off for personal business as an approved absence one must first receive approval from their supervisor. Qualified employees will receive no pay for this time off. Employees exempt from federal overtime pay provisions who take approved absences for full days will receive no pay for the day(s) off; approved absences for partial days will be deducted from the employee's accrued paid time off or made up by the employee in the same work week.

#### Holiday Work Pay (WS-5)

Should a situation arise where an employee is required to work on a scheduled holiday, non-exempt employees will receive pay at their regular hourly rate for the time worked on the holiday in addition to the straight-time pay for the holiday.

#### How Hourly Pay is Computed (WS-6)

Those salaried and non-exempt, non-salaried employees paid on a semi monthly basis will have their semi-monthly salary multiplied by 24 and divided by 2,080 to obtain the hourly rate. No computation is made for employees on an hourly rate.

#### Tardiness (WS-7)

Employees should not be late to work. Any employee who displays a habitual pattern of tardiness will be counseled by his immediate Supervisor. This counseling will be documented and placed in the employee's personnel file. Following this, if the pattern continues, the employee will be subject to discipline, up to and including dismissal.

#### Severance and Termination Pay (WS-8)

The Company hopes and expects that employees will give at least two weeks' notice in the event that they intend to leave employment. Any unused PTO that has been earned under the Company's PTO policy will be paid for in accordance with such policy at the time of termination.

Employees will not receive termination pay except in accordance with any agreement or contract in effect between that employee and the Company at the time of termination or as mutually agreed upon thereafter.

#### Various Payroll Deductions (WS-9)

Each pay period, any deductions will be listed on the paystub. The Company is legally required to deduct certain items, like Social Security, Medicare and Income Taxes. These deductions are based on earnings and the number of dependents of an employee. Deductions are based on information furnished by the employee. **Any change in name, address, marital status, or number of dependents must be reported by the employee to the Human Resources Department immediately to ensure proper credit for tax purposes.** Other deductions are voluntary and are deducted only if authorized by the employee. If an employee believes their paycheck has been subject to any improper deductions, or is otherwise not accurate, that employee should immediately report their concerns to their supervisor and/or the Human Resources Department.

#### Performance Reviews (WS-10)

A review does not necessarily mean an increase in wages but it is conducted for the purpose of assessing the progress and growth of the employee. In case of a promotion or an increase in the duties and responsibilities of the employee, a review may also be conducted. All wage and salary increases are at the sole discretion of the Company.

### **Wage Review (WS-11)**

Company policy is to review all wages annually. New employees may be reviewed more frequently. All wage and salary increases will be at the sole discretion of the Company.

### **Time Records (WS-12)**

By law we are required to maintain an accurate record of employee's time on the job. Non-exempt employees are to fill in their time slips for hours worked each day and submit them to their immediate supervisor for approval at each pay period. Exempt employees are required to maintain time records as their supervisor might reasonably direct.

### **Meal Periods (WS-13)**

All employees shall be provided at least one hour for a lunch period during any day that they are scheduled to work six or more consecutive hours. For non-exempt employees, this lunch period shall be unpaid.

No hourly paid employee will be asked to work during his/her lunch period, except in the case of emergency. If the employee's lunch is interrupted because of a return to work, then the employee may continue his or her lunch period at a later period until an hour off has been fully provided. The length of the lunch period may be reasonably readjusted by the supervisor to suit any particular job. Lunch periods may be staggered at the supervisor's discretion.


### **Closed Offices (WS-14)**

It is the policy of the Company to remain open except where (a) extraordinary circumstances warrant, generally due to unusually inclement weather, an incident, or emergency, (b) the head person or manager for the location determines that the office or facility should close for the day and (c) he or she provides notice of such closure. All exempt employees who work at such location will be compensated as if they worked their usual business hours, with hourly full-time employees being compensated for the greater of (1) all work time actually completed or (2) eight hours for such day of closure. Any hours not actually worked but compensated for in this manner shall not be counted as work time for the purposes of calculating overtime pay. Except as permitted elsewhere (e.g. using accrued PTO), an employee will not be compensated if he or she does not work while a Company office or facility remains open or the Company provides an adequate location for the employee to complete his or her duties. Employees able to complete work off-site should do so during business hours or they may be compensated only for the period of time they actually work.

### **Teleworking/Telecommuting (WS-15)**

An employee may be allowed to telework/telecommute pursuant to the details of this policy. Teleworking is a privilege that may be individually granted by the Company under appropriate circumstances and criteria, usually requiring a high-performing employee with responsibilities suited to such an arrangement. The Company may refuse to make telework available to an employee or terminate a telework arrangement at any time.

The ultimate goal of using telework is to enhance the Company's and the Employee's performance. Telework agreements do not change the conditions of employment or required compliance with policies herein. Teleworkers and their supervisors are expected to agree on work results and performance measures related to the telework. An employee shall maintain their teleworking workspace in adherence with all pertinent laws and contractual obligations, and keep the workspace in a safe condition, free from hazards and other dangers to the employee and equipment.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-003	<b>CURRENT REVISION:</b> 8	
<b>EFFECTIVE DATE:</b> 5/1/2024	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policy and Procedures Regarding Employee Benefits (EB)		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-003 - POLICY AND PROCEDURES REGARDING EMPLOYEE BENEFITS (EB)

### Overall Employee Benefits (EB-1)

Benefits from Employee Owned Holdings, Inc. and/or its affiliates (the “Company”) amount to a considerable number of dollars each year in addition to employee wages, including, but not limited to, the value of the following:

1. PTO - Paid Time Off
2. Workman's Compensation
3. FICA
4. Partially paid medical insurance
5. Holiday Pay
6. Funeral Time Off
7. Excused Absence
8. Unemployment Compensation
9. Life Insurance
10. Jury Duty Pay
11. Military Leave Pay (Limited)
12. Employee Stock Ownership Plan (ESOP)
13. Educational Assistance (See EOHI-PPH-013 - Continuing Education and Incentive Program)
14. De Minimis Fringe Benefits
15. Shop Safety Shoes (Limited)
16. Company Issued Work Clothes (Shop)
17. 401(k) Plan
18. Short Term Disability
19. Long Term Disability
20. Paid Parental Leave

Notwithstanding anything to the contrary herein, the Company may amend, change or temporarily withhold these benefits with notice to employees based on the circumstances, in the sole discretion of the Company.

### Insurance (EB-2)

The Company provides a group insurance plan, which is sponsored by a leading national insurance company. After one month of employment an employee becomes eligible for the group insurance coverage and is enrolled on the first of the next month following such time.

A statement outlining all of your various benefits will be given to you. The Company pays a portion of the premium for group insurance coverage. At the time one become eligible they have the following electives for group insurance:

- A. No coverage
- B. Coverage for employee only
- C. Coverage for employee and their children
- D. Coverage for employee and their spouse

## E. Coverage for employee and their family

### Holidays (EB-3)

During each calendar year, the Company allows 9 (nine) paid holidays and one extra paid day off of the employee's own choice. The extra paid day off may not coincide with other employees' scheduled absences when it might cause a hardship in that Company department. The determination of whether a "hardship" will exist shall be at the sole reasonable discretion of the Company.

Employees may take time off without pay to observe their religious holidays as long as doing so does not cause an undue hardship for the Company. The supervisor should be notified at least two weeks in advance.

If one of the scheduled holidays occurs during an employee's scheduled PTO, the employee will not need to schedule that day as PTO to be counted as a day off with pay.

An employee must be at work the full workday before and the full workday after a holiday in order to receive pay for the holiday. An exception to the above sentence is allowed when: (1) a Supervisor's permission was provided by previous arrangement, (2) PTO was scheduled for that time, or (3) circumstances beyond the employee's control occur (such as sickness, jury duty, qualified funeral time off, necessary military duty leave or as further reasonably determined by the Company).

Holiday hours shall not be counted as work time for the purposes of calculating overtime pay.

The Company, at its sole discretion, shall determine the applicability of any exception to this policy.

### Paid Time Off - PTO (EB-4)

Paid Time Off (PTO) is a bank of time provided to allow full-time employees to be away from work with pay for any reason including personal time, religious observances, illnesses and injuries. Only regular full-time employees, as defined in WS-2, are eligible for PTO.

#### Monthly Accrual & Annual Allotment

Generally, an employee will begin to accrue PTO with the Company at the first mid-month payroll the employee participates in.

Except when otherwise required by law, inactive employees on any type of leave will not have PTO allotted until they return to work. Employees will not accrue PTO for full calendar months of absence while out on any type of leave. (For example, if you start disability leave on January 15 and return to work on March 15, you will accrue PTO for January and March, but not for February, since you did not actively work during the month of February.)

An employee's monthly accrual rate and annual allotment of PTO are based on the number of years of service the employee has:

Less than 1 years of service	11.33 hours accrued monthly	136 hours (17 days) per year
1 year of service	12 hours	144 hours (18 days)
2 years of service	12.66 hours	152 hours (19 days)
3-4 years of service	13.33 hours	160 hours (20 days)
5 years of service	14 hours	168 hours (21 days)
6-7 years of service	14.66 hours	176 hours (22 days)
8-9 years of service	15.33 hours	184 hours (23 days)
10-14 years of service	16.66 hours	200 hours (25 days)
15-19 years of service	17.33 hours	208 hours (26 days)
20-29 years of service	18 hours	216 hours (27 days)
30+ years of service	20 hours	240 hours (30 days)

Up to 40 hours/5 days (only a new employee would have less than 5 days) of the annual PTO provided to an

Employee shall be “**PTO Plus \$**”. The rest of the PTO time accrued each year is “**PTO Prime**”. PTO Plus \$ must be used by the employee during the calendar year as, otherwise, any remaining PTO Plus \$ not used by the employee before December 31st will be removed and no longer available for use, but will be compensated for by Company (a) for a non-exempt employee, at 100% of that employee’s wages for that period or (b) for an exempt employee, at 50% of that employee’s wages for that period. For employees who start after January 1, PTO Plus \$ and PTO Prime shall accrue in a pro rata fashion (3.33 hours per month of PTO Plus \$ and 8 hours per month of PTO Prime).

**It is the employee’s responsibility to confirm use of PTO Plus \$ rather than PTO Prime for scheduling time-off.**

**Employees may carry-over PTO Prime at the end of the year.** However, employees may accumulate no more than **one additional week (40 hours)** of PTO Prime than the PTO Prime they are annually eligible for. No further PTO Prime will accrue once this maximum limit of PTO Prime is reached, although PTO Prime will again accrue once PTO Prime is actually used by employee.

For example, if John Doe had been with the Company for three years, then John accrues PTO Prime at a rate of 15 days per year (20 days of PTO minus the 5 days of PTO Plus \$). John will be allowed to accrue up to 20 days of remaining PTO Prime (15 days + “one additional week” or 5 days). If John accrues 20 days of remaining PTO Prime, he cannot accrue any further PTO Prime until he actually uses PTO Prime. John’s remaining PTO Prime accrues subject to this 20 day limit, until John has been employed by the Company for 5 years at which point the remaining PTO Prime limit for John is extended to 21 days (16 days of PTO Prime + “one additional week” or 5 days), and once John has been employed by the Company for 6 years his remaining PTO Prime limit is extended to 22 days (17 days of PTO Prime + “one additional week” or 5 days).

## **PTO Usage**

Full-time employees must use available PTO for unplanned absences. Every reasonable effort will be made to grant an employee PTO at the time desired. However, PTO (to the degree it can be planned for and is not based on illness, injury or other unforeseen event) should not interfere with a department’s operation and therefore should be scheduled and approved by the employee’s supervisor at least one (1) week in advance. Successive PTO periods lasting one (1) week or longer should be scheduled thirty (30) days in advance. If any conflicts arise in requests for PTO, preference shall be at the discretion of the Supervisor. Employees who disregard the above and take PTO without supervisor approval (except in the case of reasonable circumstances like an injury, illness or other unplanned event which may require an employee to provide a supervisor with further evidence, like a doctor’s statement) may be subject to discipline, up to and including termination.

Employees may not take PTO Prime in excess of the accrual balance without written authorization from their Supervisor. Such authorization is at the discretion of the Supervisor and must be granted in advance of the PTO Prime use. Any amount of advanced PTO Prime taken but not yet earned at the time of termination of employment must be repaid to the company. If PTO Prime is not available, an absence may instead be unpaid. This does not apply to PTO Plus \$, which an employee may take up to their maximum annual amount without Supervisor authorization.

PTO accruals generally update during the mid-month payroll. If one is on an approved leave of absence but does not perform any work for the Company during and prior to the closing of the payroll period, PTO may not accrue for that individual.

If a Company-paid holiday falls during the scheduled PTO period, an employee will not need to use a day of PTO for that holiday.

Generally, commissioned employees are allowed to take limited time off without penalty while actively employed and do not receive PTO. However, the commissioned employee should have written authority from their Company’s president to be so treated.

Non-exempt employees may use PTO in increments of no less than one half hour. Exempt employees’ time is not tracked on an hourly basis. For exempt employees, PTO is recorded in full- or half-day increments, with approved requests for time away from work for less than a half day not recorded.



PTO hours shall not be counted as work time for the purposes of calculating overtime pay.

For sick absences of up to two days, doctor's notes do not necessarily need to be submitted unless one is specifically directed by management to do so. For sick absences of three days or longer, doctor's notes should be submitted to the employee's supervisor and the Human Resources department.

If an employee terminates for any reason and has used more PTO than accrued, the employee will be responsible for reimbursing the company for PTO taken beyond what was accrued.

Any employees who do not adhere to the requirements provided in this policy may be subject to discipline, up to, and including, termination.

### **Payout of PTO**

Payout of PTO Plus \$ to an employee for the end of the year will be completed during that following year.

An employee who terminates employment is eligible for payout of accrued and unused PTO Prime (not PTO Plus \$).

If an employee terminates for any reason but he or she has used more PTO than accrued, the employee will be responsible for reimbursing the Company for PTO taken beyond what was accrued. In these instances, the Company may take appropriate action to obtain reimbursement.

Payroll makes the final determination on the time payable at termination. Questions regarding the calculation of time payable at termination should be directed to Human Resources Department.

### **Excused Leave of Absence (EB-5)**

The Company may grant an employee a leave of absence, without pay for good cause up to thirty (30) calendar days. Good cause would be defined as: (i) a serious health condition that makes the employee unable to perform job functions, (ii) serious health condition of immediate family member, (iii) essential personal business, or (iv) birth, adoption or placement of a child or foster child and/or care for such child within the first year following birth or placement. The determination for granting a leave of absence under this provision is at the sole discretion of the Company. There will be no payment for holidays occurring during such a leave of absence. An employee that is on such a leave of absence is responsible for paying their share of monthly insurance premiums. Any excused leave of absence beyond thirty (30) days is at the discretion of the Company and must be in writing.

Time spent on approved leave of absence is considered continuous employment for purposes of seniority.

The Company does not guarantee future employment following any leave of absence except when required by law. The Company will expend reasonable efforts to return one to their former job or to a position of like status and pay. Employees should inform their Supervisor when they expect to return to work following a leave of absence so that an effort can be made to restore the employee to similar employment as soon as reasonable.

### **FMLA – Family Medical Leave Act Policy (EB-6)**

The company provides up to twelve weeks of unpaid leave under certain circumstances in accordance with the Family and Medical Leave Act ("FMLA"). The Company's Family and Medical Leave Policy will be construed and implemented in accordance with the FMLA.

Employees are eligible for the Company's FMLA if: 1) have worked for the Company for at least 12 months (not necessarily consecutively); 2) have worked 1,250 hours for the Company within the past 12 months, and 3) fifty (50) or more employees work within 75 miles of the facility where the worksite is located. Eligible employees may take up to 12 weeks of unpaid leave [during any 12-month period] for any of the following reasons:

1. Birth of a child of the employee and in order to care for such child (within the first year following



- birth).
2. Placement of a child (meaning under 18 years of age or incapable of self-care due to physical or mental impairment) with the employee for adoption or foster care (within first year of placement).
  3. Care of the spouse, or a child (meaning 18 years of age or incapable of self-care due to a physical or mental impairment and including a child for whom employee "stands in" as a parent), or a parent (referred to collectively as "family member") of the employee, if such family member has a serious health condition as defined under the FMLA.
  4. A serious health condition that makes the employee unable to perform the functions of the position.

Leave for the birth of a child or for the placement of a child with the employee for adoption or foster care must be concluded by the end of the 12-month period beginning on the date of such birth or placement.

Leave taken by eligible employees for any of the above reasons will be counted against the employee's accrued FMLA leave entitlement.

Note: Special provisions apply if both a husband and wife work for the Company. Leave must be taken intermittently or on a reduced leave schedule.

When medically necessary, leave for the care of a family member with a serious health condition or because of a serious health condition of the employee may be taken on an intermittent or reduced schedule basis. Upon request for such leave because of foreseeable medical treatment, the Company may require that the employee transfer temporarily to an available alternative position that has equivalent pay and benefits and better accommodates the recurring periods of leave than the regular employment position of the employee. Employees needing intermittent leave must attempt to schedule their leave so as not to disrupt the Company's operations.

#### Notice of Need for Leave

An employee should fill out a request for leave and give 30 days' notice of the need for leave if such leave is foreseeable, and in any event, give notice as soon as practicable. If an employee does not give 30 days' notice where such leave was foreseeable, the leave may be delayed until 30 days after such notice is provided. Request for Leave forms are available from the Human Resources Department.

When the leave is based on planned medical treatment of the employee or a family member, the employee must make a reasonable effort to schedule the treatment so as not to unduly disrupt the operations of the Company, subject to the approval of the health care provider of the employee or family member with the serious health condition.

#### Relationship to Paid Leave

An employee may elect, or as permitted under the FMLA the Company may require an employee, to substitute any accrued paid PTO leave, personal leave, or family leave for the unpaid leave granted under this policy for the birth, adoption or foster care placement of a child of the employee, or for the care of a family member with a serious health condition.

An employee may elect, or the Company may require an employee, to substitute any accrued paid PTO leave, personal leave, or medical or sick leave (including sick days, short or long term disability), for the unpaid leave granted under this policy for the care of a family member with a serious health condition or because of the employee's own serious health condition.

The substitution of paid leave for unpaid leave does not extend the FMLA leave period.

#### Certification of Serious Health Condition

A serious health condition of an employee or an employee's family member must be certified by the health care provider. One may obtain a Certification of Physician or Practitioner form from the Human Resources Department. Such documentation should be provided, when possible, in advance or at the start of the leave and within 15 days from the date requested by the Company unless it is not practicable to do so despite the employee's diligent, good faith efforts. Recertification of an employee's or family member's condition may be required on a reasonable basis. The beginning or the continuation of the leave may be delayed if medical certification is not timely provided.

A second medical opinion may be requested at the expense of the Company by a health care provider designated by the Company. Should the two opinions conflict, a third, final and binding, medical opinion by a health care provider agreed upon by the Company and employee may be requested at the expense of the Company.

#### Reporting While on Leave

An employee who takes continuous FMLA leave must contact the Human Resources Department according to an agreed schedule regarding the employee's status and intent to return to work. An employee who takes intermittent FMLA leave must comply with EOH-PPH-004-CP6 – Notifying a Supervisor When Absent, the Company's regular call-in procedures for employee absences.

#### Fitness-for-duty Certificate

Upon returning to work from a leave of absence for a serious health condition, all employees will be required to provide certification from the employee's health care provider that the employee is able to resume work. Employees may obtain the Return to Work Medical Certification form from the Human Resources Department. Employees will not be allowed to return to work until a completed form is provided.

#### Health Insurance Coverage

While on leave, health insurance coverage will be continued at the same level and under the same conditions as if the employee were at work. Employees must continue to pay their portion of health care premiums as if they were working. During periods in which paid leave is substituted for FMLA leave, the normal payroll deductions will be made. If leave is unpaid, the premiums must be paid by the employee by the 5<sup>th</sup> of the new month and delivered to the Human Resources Department. Health insurance coverage will lapse if an employee is over thirty (30) days late in payment of premiums.

Employees who fail to return to work for at least thirty (30) days after the expiration of FMLA leave for any reason other than the continuation, reoccurrence, or onset of a serious health condition of the employee or of the employee's family member (for which certification will be required), or other circumstances beyond the control of the employee, will be required to reimburse the Company for its share of the premiums paid to maintain health insurance coverage for the employee during any period of unpaid FMLA leave. Failure to provide certification of such serious health condition within 30 days following the expiration of leave will result in the Company requiring reimbursement of such health insurance premiums.

#### Other Employee Benefits

Other benefits will continue during the FMLA leave, although benefit accrual (PTO accrual etc.) may be suspended. The Company may require employees to pay their share of the premiums for the continuation of any insurance coverage of the FMLA leave.

#### Conversion of Leave Status

If one is on leave other than FMLA leave, and a FMLA-covered situation occurs, the employee may request to extend the leave with FMLA leave provided they meet all of the eligibility requirements. If the need for FMLA leave is due to an event which occurred during a period of leave (whether paid or unpaid), the Company may count the leave used immediately after the event which qualified the employee for FMLA leave against the 12-week entitlement for the 12-month period.

#### Restoration to Prior Position and Benefits

Upon expiration of FMLA leave, with certain limitations, employees returning to work will be restored to the same position he or she held when the leave began, or to an equivalent position with equivalent employment benefits, pay and other terms and conditions of employment.

Key employees (i.e., salaried employees who were among the highest paid 10% of employees within the 75 miles of the facility at which the employees work) may be denied restoration if restoration of employment will cause substantial and grievous economic injury to the Company's operations.

#### Modifications

This policy may be modified by the Company at any time and is not intended to create legal rights or obligations beyond those existing under the Family and Medical Leave Act of 1993 and its amendments.

## **Military Leave (EB-7)**

Military leave is unpaid, except as otherwise provided for in this policy, or as required by law.

Employees will be granted a military leave of absence for the duration of any required service if they are recalled to active duty from reserve status.

Reservists subject to two-weeks-a-year military duty will be reimbursed for the two weeks by the difference in pay between their Military pay and their regular salary based on a 40-hour week.

Employees will continue to accrue PTO while on military duty.

## **Funeral Time Off (EB-8)**

Up to three (3), eight-hour days of excused absence will be paid in the event of the death of the mother, father, son, daughter, brother or sister, or any grandparents of an employee or their spouse. One is not eligible for bereavement pay for days which they were not scheduled to work.

Employees will be paid on an eight hour a day basis with the day of the funeral to be the last day paid. This time will not be used as a basis for the computation of overtime.

Employees will be permitted to use an unscheduled PTO day to attend a funeral for close friends or other family members, with their Supervisor's approval.

## **Paid Parental Leave (EB-9)**

The Company support employees preparing for the birth of their child or receiving placement of a child for adoption or foster care. The purpose of this policy is to give parents the flexibility and time to bond with a newborn or a newly-adopted or newly-placed child and adjust to their new family by providing paid parental leave for eligible employees because of the birth of a child or the placement of a child for adoption or foster care. This will be applicable for births, adoptions or placements of foster children with employees occurring on or after August 1, 2019.

### **PAID PARENTAL LEAVE**

The Company will provide eligible employees up to two (2) weeks of paid parental leave for the birth of a child or placement of a child for adoption or foster care. In order to qualify for this benefit, the eligible employee must meet one of the following criteria:

- (1) have given birth to a child;
- (2) be a spouse or domestic partner of a person who has given birth to a child; or
- (3) adopt or have placed for foster care in the employee's home a child under the age of 17, but does not apply to the adoption of a stepchild by a stepparent.

The fact that a multiple birth, adoption or placement occurs (e.g. birth of twins or adoption of siblings) does not increase the amount of paid parental leave granted under this policy for that event. In addition, in no case will an employee receive more than two (2) weeks of paid parental leave in a rolling 12-month period, regardless of whether more than one birth, adoption or foster care placement event occurs within that 12-month time frame.

Only full-time hourly and salaried employees who have worked for the Company for at least twelve (12) months consecutively prior to the birth, adoption or placement event are eligible for paid parental leave.

Paid parental leave must commence and be completed within the first twelve (12) months after the child joins the employee's family or it will no longer be available.

### **REQUESTING PARENTAL LEAVE**

Employees requesting paid parental leave must provide his or her supervisor and the Human Resources department with notice of the request for leave at least 30 days prior to the proposed date of leave (or if the leave was not foreseeable, then as soon as possible). The employee must complete any necessary Human

Resources forms and provide all documentation required by the Human Resources department to substantiate the request.

#### **PAY AND BENEFITS DURING PARENTAL LEAVE**

Each week of paid leave under this policy is compensated at 100 percent of the employee's regular, straight-time weekly pay. Paid leave will be paid on regularly scheduled pay dates. Employees will continue to accrue PTO during parental leave.

The Company maintains group health plan benefits for employees on parental leave; provided employees must pay their premium copayments while they are on parental leave. Employees' regularly scheduled deductions will be taken from parental leave pay just as they are taken from usual pay.

#### **RETURN FROM LEAVE AND COORDINATION WITH OTHER POLICIES**

Employees who return from parental leave will be reinstated to their former positions or to positions with equivalent pay, benefits and other employment terms and conditions. Prior to an employee's paid parental leave end date, the employee may request to extend leave through the use of unused PTO or a Personal Day, or the employee may request (if eligible) unpaid leave. If an extension or other leave is not requested and approved at this time, the employee is expected to return to work the first work day after their paid parental leave end date.

This policy will also run concurrently with, and will be coordinated with, any other statutory paid or unpaid leave available to employees that is provided by or mandated by the government entity where the employee lives or works, and any future federal, state, or local paid leave law (herein "Statutory Leave"). This means they will run at the same time. If an employee is eligible for Statutory Leave at the same time that they are eligible for paid parental leave, he or she must elect to take the paid parental leave at the same time as available Statutory Leave, where permitted by applicable law. In the event the employee does not elect to use paid parental leave concurrent with Statutory Leave, he or she will be disqualified from the paid parental leave paid from the Company. When an employee exhausts the benefits available under this policy, they will remain eligible for the balance of their benefit entitlement, if any, under applicable Statutory Leave. The paid benefits under this policy will be considered secondary to and supplemental to any paid Statutory Leave. The combination of Company sponsored paid parental leave and any Statutory Paid Leave may not exceed the employee's full base salary. Where permitted, employees must apply for any paid leave provided by federal, state, or local government, and must remit back to the Company any money received from such sources if the Company has already paid the full salary to an eligible employee. The Company reserves the right to pay only the difference between governmentally-provided leave pay and the employee's full base salary.

#### **Jury Duty Allowance (EB-10)**

Full time exempt and non-exempt employees who are required to serve on jury duty will receive their regular pay while they are away from work. They may also keep their jury compensation. In order to qualify for regular pay, the employee must give their supervisor at least a 1-week notice before the beginning of the jury duty.

However, each employee must return to work on any day that he or she may be dismissed from jury duty if there are three or more working hours remaining in the day. He or she must also return to work for any remaining days of the week if he is dismissed from jury duty.

Jury duty time will not be considered as a basis for calculating overtime pay.

#### **Education Assistance (EB-11)**

See EOH1-PPH-013 - Continuing Education and Incentive Program.


#### **Disability Benefits (EB-12)**

If the Company has contracted for and currently maintains a group policy(ies) of insurance providing for short-term and or long-term disability benefits, an Eligible Employee (as determined by the policy(ies)) shall be entitled to the benefits provided under the forms of such policy(ies) in accordance with the policy definitions, benefits, limitations and provisions. If no such policy(ies) is/are currently maintained by the Company, no employee is

entitled to any short-term or long-term disability benefit.

#### **Employee Owned Holdings, Inc. Employee Stock Ownership Plan (ESOP) (EB-13)**

Eligible employees may participate in the Company's Employee Stock Ownership Program (ESOP), under the terms and conditions described in the ESOP plan documents which are available upon request through the Human Resources Department.

DOCUMENT CONTROL NO# EOHI-PPH-004	CURRENT REVISION:  11	
EFFECTIVE DATE:  1/1/2025	NEXT REVIEW DATE:	
TITLE OF DOCUMENT : Policy and Procedures Regarding Company Personnel (CP)		
ORGANIZATION: EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-004 - POLICIES AND PROCEDURES REGARDING COMPANY PERSONNEL (CP)

### Immediate Supervisor (CP-1)

The person an employee reports to on the job is their immediate supervisor (“Supervisor”). He or she is usually the one to see if an employee has any questions, complaints, problems, or suggestions. However, employees may also speak to any supervisor, manager, officer, or director of the company. Nothing in this policy requires an employee to present a complaint to the individual who is the subject of the complaint.

### Personnel Administration in the Company (CP-2)

The task of handling personnel records and related matters in Employee Owned Holdings, Inc. and its affiliates (the “Company”) has been assigned to the Human Resources Department. This department may be contacted for information on such matters as insurance, wage and salary computation, and interpretation of Company policy.

### Employee’s Change of Status (CP-3)

If an employee changes his or her legal name, home address, phone number(s), marital status, or number of dependents, it is **that employee’s responsibility** to notify the Human Resources Department. **IT IS THE EMPLOYEE’S RESPONSIBILITY TO KEEP THE COMPANY INFORMED OF THIS AND SIMILAR INFORMATION FOR TAXES AND OTHER REASONS.**

### Promotions (CP-4)

It is Company preference to look to promote from within, and the Company will first consider current employees with the skills and qualifications which make them the best qualified to fill the open position, unless external recruitment is in the best interest of the Company. In all cases, this is at the sole discretion of the Company.

An employee receiving a promotion still remains an at-will employee at all times and the employment at-will relationship is not altered by any Company promotion. Promoted employees may be further subject to a medical examination or physical assessment as described in EOHI-PPH-001 Company Employment Policies - EP-2 - Physical Examination and Testing.

### Company Intranet Websites, and Bulletin Boards (CP-5)

Company information is available at the Company’s websites for Employee Owned Holdings, Inc. ([www.eoh-inc.com](http://www.eoh-inc.com)) and its affiliates, including social media. The Intranet is a Company-themed web page that opens when using a web browser on the Company network and provides information about the Company to the employees. The websites, Intranet and Company bulletin boards are different ways of keeping employees informed about things that are going on. Employees should access the Company websites and Intranet and Company bulletin boards to find new postings and information regarding the Company.

## Notifying a Supervisor When Absent (CP-6)

Except for lunch periods, an employee should notify their Supervisor any time the employee will not be in the office during normal working hours. Generally, employees who are unable to report to work must call in and advise their Supervisor prior to one hour of their scheduled start time each day. If an employee does not timely call in, he or she may face discipline, up to and including termination. If an employee does not show up for work for three consecutive days (no call, no show), he or she will be automatically terminated.

Company employees who will be absent from the office for more than a day should comply with EOHI-PPH-010 - Policy Regarding Company Communications and Using Media – Section 7 - Out of Office Communications.

## Health, Safety & Environmental Policies (CP-7)

The number one goal of the Company is to ensure a safe workplace for all employees and guests. Safety is our first priority!

The Company has incorporated a Health Safety and Environmental (“HSE”) Management System which provides policies and procedures to help the Company meet all applicable occupational HSE rules and legislations. These systems reflect the requirements set forth by ISO 14001 and OHSAS 18001 and help to continuously improve our processes and ensure compliance with applicable rules and regulations. The HSE Management System is assessable through the Company network, or through any Supervisor. This system includes all associated documentation including the Company HSE Manual, HSE Policy, System Level Procedures and Safety Bulletins or Work Instructions. Also, employees are encouraged to know and understand the Company’s Business Continuity Plan with the specific Emergency Action Plans available at each location to address specific issues of concern.

In the event an employee suffers or sees another employee suffer from an occupational injury or illness, the employees must contact their supervisor immediately (no later than before the end of the same day) for assistance. It is a requirement that all injuries are reported immediately so that the proper care can be provided. Further steps are outlined in PRO-HSE-EOHI-017 Reporting Occupational Injury, and PRO-HSE-EOHI-012 Accident Investigation, found in the WebQMS.

All incidents involving employee injury, property damage, material spills or near misses are to be reported to the immediate Supervisor as soon as possible. This ensures that a proper investigation takes place to root out the cause of the incident and determine a corrective action to move forward.

Employees will be required to wear appropriate Personal Protective Equipment (PPE) when working in hazardous areas that warrant such equipment. Failure to wear required equipment can result in injury and/or disciplinary action against that employee.

Employees may be given a Company allowance for PPE that includes the cost of eyewear and steel toed shoes or work boots. These allowances are:

1. \$150.00 per year for prescription safety glasses for employees that have to wear Z87.1 type eyewear in shop environments, and
2. \$150.00 per year for steel-toed safety shoes for employees involved in operations that place them in a hazardous location for any Company facility.

For additional information concerning PPE requirements and allowances see EOHI’s Safety Bulletins, including PRO-EOHI-HSE-015 Safety Shoes, PRO-EOHI-HSE-030 Eye Protection, and FRM-EOHI-HSE-015 PPE Authorization, found in the WebQMS.

Please contact a Supervisor for clarification on any HSE policies, rules or procedures.



## Dress Code (CP-8)

The standard dress code for the Company office workers is business casual. While employees are expected to exercise sound judgment in determining appropriate business casual attire, this means different things to different people. Given the variety of trends and the pace at which styles change, it is impossible to prescribe ideal business casual attire. Therefore, good judgment should be the guide. If unsure whether something is appropriate to wear, assume it will probably be considered not appropriate.

The Company is a professional organization and all employees should reinforce that image. When meeting with clients, customer or suppliers inside or outside of our offices, employees should be appropriately dressed in business attire. Business casual **excludes** the following:

- Blue jeans
- Shorts
- Athletic wear (i.e. sweat suits)
- Spandex leggings and tights
- beach sandals
- Clothes carrying offensive logos, words or phrases.

As an exception to the above, blue jeans may be worn on Fridays, special days as designated by management, and when participating in activities appropriate for such, like start- ups, service calls or shop activity.

Notwithstanding anything contrary herein, any employees who are inappropriately dressed, as determined by the sole discretion of Company management, may be sent home and required to return to work in acceptable attire. If there are questions as to what constitutes business attire, employees should consult with their Supervisor.

## Causes for Discipline (CP-9)

Employees are expected to abide by the policies in this Handbook. Failure to do so is considered as a cause for discipline, including, when appropriate, dismissal.

Under normal circumstances, the Company endorses a policy of progressive discipline in which it attempts to provide employees with notice of deficiencies and the opportunity to improve.

The normal levels of disciplinary action are: (a) Verbal Warning, (b) Written Warning, (c) Suspension Without Pay for up to five days; and (d) Termination of Employment.

The Company, however, retains the right to administer discipline in any manner it sees fit, and this policy does not change the employment at-will relationship in any way. Thus any infractions may result in discharge without preliminary issuing of an oral or written warning; and, some may result in a warning. Any violation of the Company's policies or any conduct which the Company considers inappropriate or unsatisfactory may, at management's discretion, subject an employee to immediate disciplinary action, up to and including termination.

All facts are carefully reviewed and the employee may be given a full opportunity to explain his or her conduct before any final decision is reached. The following are some of the examples of infractions that cannot be permitted:

- A. Disorderly or indecent conduct including the use of abusive, profane, or threatening language (See EOH-PPH-007 - Policy Against Discrimination and Harassment);
- B. Engaging in acts of violence or threats of violence toward fellow employees such as fighting.
- C. Engaging in behavior designed to create discord and lack of harmony or willfully restricting work output or encouraging others to do the same;
- D. Willful disregard for Company safety or security rules;
- E. Insubordination toward any supervisors;
- F. Being intoxicated, impermissibly impaired or use of or possession of illegal drugs on Company



- premises (See EOHl-PPH-006 - Policies Regarding Smoking, Drugs and Alcohol);
- G. Lying about work or activity;
- H. Falsification of employment application or Company records;
- I. Engaging in acts of theft or sabotage;
- J. Unauthorized use of Company equipment/property or use of Company equipment for personal profit;
- K. Spreading rumors or anti-Company remarks or having a poor attitude about the Company;
- L. Failure to maintain a neat and clean appearance, departure from accepted conventional modes of dress or personal grooming;
- M. Unauthorized possession of firearms or explosives on Company property;
- N. Failure to report absences, having excessive absences or excessive tardiness;
- O. Failure to report occupational accidents the day of the accident;
- P. Failure to fully cooperate in any Company investigation; or
- Q. Disproportionate engagement of non-business matters while on Company time (e.g. sleeping, excessive talking on the phone or texting for personal matters, taking excessive amounts of breaks, etc.).

The prohibited behavior set forth above is not intended to be an all-inclusive list, and does not constitute the sole reason for dismissal of an employee. The Company may terminate employment at any time, without cause or prior notice.

### Discussing Complaints and Grievances (CP-10)

Talking things over usually helps when an employee has a complaint, grievance, or any other problem. The Company recommends that employees go first to their immediate supervisor, and then to the Company's Human Resources Manager, but employees may also speak to any supervisor, manager, officer, or director of the Company. Nothing in this policy requires an employee to present a complaint to the individual who is the subject of the complaint. The Company may provide other ways of permitting an employee to express concerns, including as indicated in the Company's *Code of Ethics and Business Conduct*.

### Good Housekeeping (CP-11)

Neatness and good housekeeping are signs of efficiency. Employees will be expected to keep their place of work and equipment or materials in good order at all times. Employees should report anything that needs repairing or replacing to their Supervisor.

### Music in Company Facilities (CP-12)

The Company seeks a professional business environment for the facilities, buildings, structures, installations, work locations, work areas, or parking lots owned, operated, leased or otherwise under the control of the Company ("Company Properties").

Company employees are permitted to play inoffensive music at a reasonable level while conducting operations on the Company Properties. Music broadcast on Company Properties may not be transmitted at a high audible level as to be heard by an average person outside of the Company Properties. Employees must accommodate requests by fellow employees to reasonably reduce the level of any music broadcast on Company Properties. Company employees are not permitted to play music which can be heard by another person on Company Properties unless such music can be broadcast on local radio without penalty.

Company employees are not permitted to wear or listen to headphones while working in areas where products or equipment are moved around. Safety is the key consideration as Company employees must be able to clearly receive instructions from their supervisors or management.

### Time Off to Vote (CP-13)

The Company strongly urges employees to vote on each Election Day. Voting polls are open from 7:00 a.m. to 7:00 p.m. so there should be little reason to request time off to vote. However, should unusual circumstances make it necessary for an employee to arrive at work late or leave early in order to vote, that employee should advise his or her Supervisor.

## Notification Regarding Longshoreman's Act (CP-14)

Legal requirements make it mandatory that ANY employee should notify Company management, and receive clearance approval, BEFORE leaving shore to board any mechanical, operational, or transporting equipment such as a ship, barge, offshore platform, or drill rig, crew transporter (air or sea), or similar location, on any matters relating to the conduct of Company business of service. Employees must also report any time spent inside any port or area under jurisdiction of a Port Authority.

## COBRA (CP-15)

Pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA), continuation of health coverage is available to employees and certain members of their families upon certain qualifying events. Details regarding continuation of coverage under COBRA can be obtained from the HR Manager or **Group Health Plan Administrator**.

## Company Documents and Logos (CP-16)

Employee Owned Holdings, Inc. ("EOHI") and its subsidiaries are separate and different entities working together to accomplish similar business objectives for the Company. It is highly important that these corporations maintain separate operations and keep their identities distinct.

When an employee is completing work for an EOHI subsidiary, they should confirm that the documents, drawings, slides, pictures, and other memoranda used contain only the name of the corporation and/or the logo of the corporation(s) for whom they are completing work.

In general, the employees of EOHI may use the names and logos of the subsidiaries when completing work for any or all of the subsidiaries, and employees of the subsidiaries may only use their own subsidiary's name and logo. If there is a trademark or other agreement that allows one to use another subsidiary's name or logo, an employee may use the name and logo of the other corporation subject to the terms of such agreement, however, they must first confirm such agreement exists and the use is authorized under such agreement. Before executing any document, employees should confirm that the document 1) designates the correct entity or entities) and 2) that the employee has authority to act for the entity or entities as to execute such document on their behalf. Caution and care are much appreciated in this regard.

## Quality Assurance (CP-17)

The true measure of quality by the Company is in customer satisfaction. Because customer satisfaction and the quality of Company products and services are and will continue to be the keys to competitiveness, it is increasingly vital for Company employees to understand and use the quality management systems to continually do a good job **the first time**. To ensure that the quality management system provides a solid foundation for our success, the Company will continually improve the system and any related processes.

The Company's quality management systems have been established as a way to continually improve the performance of the organization by raising the effectiveness of the quality management system. The quality manuals for Company entities describe quality policies and general Company-wide structures and procedures, usually for maintaining a quality management system reflecting ISO 9001 Standard requirements.

The quality manual is the cornerstone of the quality management system. The quality manual describes the scope of the quality management system and references documented procedures necessary to meet Company specified polices and approaches which are utilized by the Company.

Company employees are responsible for identifying problems that pertain to the products, processes or the quality system used. Company employees should initiate actions to prevent the occurrence of nonconformity in either products or processes. Prevention of nonconformities, along with the initiation or recommendation of appropriate solutions, should follow designated channels.

## Electronic Surveillance (CP-18)

In addition to the monitoring described in EOH-PPH-010 Policy Regarding Company Communications and Media, employees may be monitored by video or audio equipment upon Company premises for reasonable business purposes, including, but not limited to, deterring criminal activity, improving quality and safety and security reasons. Electronic surveillance is to be limited to locations which would not violate a reasonable expectation of privacy (e.g. entrances, work areas, not restrooms, etc.).

## Good Telephone and Communication Habits (CP-19)

Employees should follow best practices when answering phones or responding to communications. Employees should use templates and scripts provided below where applicable:

### **Best Practices**

- # 1 Before the 3<sup>rd</sup> ring:** The second or third ring is the ideal time for an employee to pick up the phone when answering a call.
- # 2 Consistency:** The phone should be answered with a positive greeting such as “Hello,” “Good Morning,” or “Good Afternoon,” etc. Following the greeting the person who answers the phone should announce oneself and the company that is being contacted.
- # 3 SMILE:** Employees should smile before placing or answering a phone call. When a person smiles it affects the sound of his or her voice, giving it a more pleasant and friendly tone.
- # 4 CLEARLY:** Employees should speak in a clear tone using a voice that is neither too loud nor too low. Words should be enunciated and said slow enough that people are able to understand what is being said to them.
- # 5 LISTENER:** When a caller is speaking, the employee should listen to what he or she has to say without interruptions before responding.
- # 6 ASSIST:** Employee should let the caller know they have reached the correct department or person to assist them.
- # 7 MUTE:** Employees must avoid putting the phone to their chest to muffle the mouthpiece to speak among themselves, blow nose, etc. Clients may hear things employees would not want them to hear. If someone must be put on hold the employee should (1) **ask for permission** first and give the caller the option to leave a voicemail or a message and (2) when taking the caller off hold; **thank the caller** to show that their time is respected.
- # 8 TRANSFER:** If it is necessary to transfer a call, employees should inform the person on the other end before doing so. This is referred to as a warm transfer.

### **Cold transfer vs. Warm transfer**

- A **cold transfer** is a quick unannounced transfer when a caller calls your business/company and requests to speak to a specific person or must be transferred to a certain person.
- A **warm transfer** is when the you make a quick call to the specific person to ask them whether or not they would like the call to be transferred to them.

One should always provide the name and reason for the call to the specific user the call is being transferred to, so the caller is not starting from square one. It is also important to explain to the caller the need for the transfer. If not available, an employee may offer to use voicemail or take a message (to be later sent via email).

- # 9 INFORMED:** When looking up information to help the caller, employees should inform the caller that they are looking up the information rather than going silent for long periods of time.

**# 10 PROMISES:** Always return phone calls or emails if a return call/email has been promised. If a time frame for a response was given, one should make every attempt to return the phone call or email as quickly as possible within that frame.

### **MESSAGE GREETING TEMPLATES**

#### **Voicemail Message:**

"Hi, you've reached <first name, last name> with <company name>. Currently, I'm unable to take your call. Please leave your name, number and a quick message after the tone and I'll return your call as soon as possible."

#### **Voicemail Out of Office Message:**

"Hello, you've reached <first name, last name> with <company name>. Currently, I'm unable to answer your call. I will be out of the office starting on <day of the week, month, day> and returning on <day of the week, month, day>. Please leave your name, number and a quick message after the tone and I'll return your call as soon as possible. If you need immediate assistance, please dial "0" to speak to the operator."

#### **Email Out of Office Message:**

<Your Greeting>

I will be out of the office starting <Starting Date> through <End Date> returning <Date of Return>.

If you need immediate assistance during my absence, please contact <Contacts Name> at <Contacts Email Address>. Otherwise I will respond to your emails as soon as possible upon my return.

Sincerely,

<Your Name>

### **PHONE GREETING SCRIPTS**

#### **Answering the phone:**

"Good day. Thank you for calling <company name>, this is <first name>. How may I help you?"

#### **Transferring a warm call:**

"I am sorry I am unable to help you, <customer name>. However, <name of person> in the <department or office location> will be able to better assist you. Do you mind holding for a brief minute will I transfer your call?"

#### **Ensure the caller you can assist them:**

Employee: "Good day, thank you for calling <company name>. This is <your name>. How may I help you?"

Caller: "Hi, this is *Jane Smith*, I am looking for help with an order I placed.

Employee: "Hi *Jane*, I can assist you with that. May I have I have your order number, please?"

### **Customer Service Quality Policy (CP-20)**

Employees for Employee Owned Holdings, Inc. and its affiliates (collectively the "Company") who assist customers via phone, chat and other recognized communication methods should utilize best practices and behaviors to promote the Company, its offerings and services. This Policy identifies the process to confirm that such employees recognize the criticality for providing excellent customer service and sales technique.

The Company may utilize a third party service provider such as Signature Worldwide ("Vendor") to record and score any discussions between Company employees and customers. The Vendor may consider the following principles in completing its grade of the discussion between the **customer service representative** and potential customer:


1. Answer in 3 Rings
2. Approved Greeting
3. Assure the Customer
4. Identify Customer Information (verify caller name & company)

5. Qualify the Need
6. Offer Related Items (when appropriate)
7. Communicate Next Steps
8. Identify Contact Information (confirm phone or email)
9. Thank the Customer
10. Tone

The Vendor may consider the following principles in completing its grade of the discussion between the **receptionist** and potential customer:

1. Answer Within 3 Rings
2. Approved Greeting
3. Assure the Caller
4. Gather Information
5. Actively Listen
6. Verify for Understanding
7. Use Warm Transfer
8. Apologize/Empathize (When Necessary)
9. Communicate Next Steps
10. Thank the Caller
11. Tone

Company employees who are scored by Vendor must adhere to achieving at least an 80% average score each month. If a Company employee does not achieve an 80% average score in the month, the employee shall receive a Warning. If the employee receives three (3) Warnings in a 12-month period, the employee will be placed into a Performance Improvement Plan. Further discipline, up to and including termination, may be considered by Company management if the employee continues to underperform.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-005	<b>CURRENT REVISION:</b> 3	
<b>EFFECTIVE DATE:</b> 1/1/2017	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policy Regarding Business Expenses		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-005 – POLICY REGARDING BUSINESS EXPENSES

### PURPOSE

The purpose of this policy is to describe the rules of Employee Owned Holdings, Inc. and/or its affiliates (the “Company”) regarding reimbursable business expenses and to provide a standardized reporting format that will meet IRS documentation requirements.

### APPLICABILITY

This policy is aimed generally toward salespersons and management since they account for the majority of our business expenses. The policy also applies to other employees who incur such expenses. If you have any questions about whether you may be reimbursed for a business expense, please ask your Supervisor.

### GENERAL

The Company policy is to fully reimburse all business-related expenses under the rules provided by the Internal Revenue Service. A company policy cannot possibly cover every conceivable situation that could result in a business expense. If you are uncertain about the appropriateness of a particular type or magnitude of expense, you should seek approval from your Supervisor before incurring the expense. In nearly all cases, a conservative, reasonable approach toward business expenses should keep you out of trouble.

### LIMITS

The maximum expenditure for a single expense without pre-authorized approval for employees is listed in the current EOHI-PPH-005A – Annual Business Expense Amount Limits. Employees will need pre-authorization from a Company President or the manager of the branch or region for an expense over the listed amount.

The maximum expenditure for a single expense without pre-authorized approval is listed in the current EOHI-PPH-005A – Annual Business Expense Amount Limits. Some will need pre-authorization from a Company President or a Sales Director for an expense over the listed amount.

### REPORTING

Expense reports will be filed within 60 days of the time the expense is incurred. Expenses filed later than 60 days of the time of expense may not be approved. Exceptions require the approval of your Supervisor and either a Sales Director or a Company President.

Receipts are required for all expenses. Exceptions to this policy are handled on a case-by-case basis and only with a good excuse.

The standard way to report expenses is to use the Company expense software to detail your expenses. However, please contact your Supervisor if an expense form is required.

### INTERNET CONNECTIVITY AT HOME (Applicable to Outside Sales & Management)

High-speed connectivity at an employee's home will be reimbursed at 100% of the total bill not to exceed the amount listed in the current EOHI-PPH-005A – Annual Business Expense Amount Limits, provided a copy of the invoice is submitted with the expense report.

## **LODGING**

You are expected to stay at moderately priced hotels or motels while on out of town business. The following hotel related expenses are not reimbursable: 1) Movies, and 2) Drinks (except as part of the evening meal when eating alone – two maximum – OR as part of an evening meal when entertaining customers, vendors or affiliates). Only necessary business expenses related to lodging may be reimbursed (e.g. parking, internet, etc.).

## **AUTOMOBILE EXPENSE**

The Company will reimburse employees for use of their personal auto for business purposes. Reimbursement will be at the current IRS mileage rate, as listed in the current EOHI-PPH-005A – Annual Business Expense Amount Limits.

Mileage between your home and the office is a commuting expense and is not reimbursable. If you are driving from your home to complete Company business (like going on a sales call), and then go to the office, the reimbursable mileage is your total mileage less any mileage that would have been incurred by a direct trip from home to office.

Minimum information required by the Company is: A) the mileage claimed for the business purpose and B) the name of the company or location visited.

Review EOHI-PPH-012 - Policy and Procedures for Using Vehicles for Company Business for further information.

## **HIGHWAY TOLLS**

Highway tolls incurred while engaged in Company business are reimbursable. Receipts are required for reimbursement. Anyone utilizing a toll tag will be allowed to charge as an expense 100% of all monthly or quarterly charges incurred while performing Company business or making sales calls, provided the applicable charges are highlighted, totaled and a copy of the invoice is submitted with the expense report.

## **OTHER TRANSPORTATION**

Airfare rates vary widely depending upon advance notice, class of travel, date of travel, etc. Hundreds of dollars can be saved by taking the extra effort to search for an economical fare. If you are not sure you are getting the best rate or if you don't feel you have time to make this search, your supervisor is available to assist you.

Before renting an automobile, check with your Supervisor or the Company's Marketing Department to see if there is a corporate rate available. Use public transportation or taxis instead of renting a vehicle when such use would be reasonable. Assistance through the Marketing Department is available when securing reservations. Review EOHI-PPH-012 - Policy and Procedures for Using Vehicles for Company Business for further information.

## **MEALS**

Your meal costs will be reimbursed when you are traveling out of town on business and an overnight stay is involved. Three meals is the maximum amount of meals that can be claimed in one day. Business meals need to be itemized showing the name, title and company of the person taken out. A brief description of the business



conducted should be given unless this is a regular customer with ongoing business or one of our suppliers.

All entertainment should be conservative in nature and aimed strictly toward generating future business for the Company or solidifying our relationship with a vendor or customer. If you have doubts about the suitability of an activity, consult with your Supervisor before incurring the expense. Receipts are required for all meals. A satisfactory receipt can be either your credit card receipt or a restaurant ticket. The restaurant ticket must show the establishments' name, location, date and be filled out by the serving person.

Entertainment at an adult lounge is not endorsed by the Company and will not be reimbursed.


## **EXCEPTIONS**

Expenses for beverages or entertainment beyond what is planned for and provided by the Company are not reimbursable. Exceptions to this policy require approval in advance of the expense by your Supervisor or a Company President.

## **MISCELLANEOUS**

- a. Telephone – The Company will reimburse you for your business calls. Suitable documentation would be a copy of your phone bill. The Company will also reimburse you for your reasonable personal calls home when you are out of town overnight on business. The Company will reimburse salespersons, certain management and specialized employees up to the amounts listed in the current EOH-PPH-005A – Annual Business Expense Amount Limits for monthly cell phone usage, when provided with proper documentation. An exception to this policy is for business calls or calls home when traveling abroad for business, as international cell phone usage will be reimbursed above the maximum indicated, but only within a reasonable level. Effort should be made to limit phone usage when possible. Suitable documentation (e.g., a phone bill) is required with business and/or calls home clearly highlighted.
- b. Handheld Devices – Certain employees may be provided a Company owned handheld device, like an iPad. The Company will reimburse those employees authorized to possess a Company handheld device up to the amount listed in the current EOH-PPH-005A – Annual Business Expense Amount Limits.
- c. Office Supplies - Except for minor, specialized items, office supplies should be obtained through the Company's branch office. If you maintain an office at your home, this is at your expense unless the Company has required you to maintain that office.
- d. Travel - Travel outside of an assigned territory must be approved by your Supervisor. Failure to obtain prior approval may result in no reimbursement.



<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-005A	<b>CURRENT REVISION:</b>  11	
<b>EFFECTIVE DATE:</b>  1/5/2024	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Annual Business Expense Amount Limits		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-005A – ANNUAL BUSINESS EXPENSE AMOUNT LIMITS

### For 2025 and until the 2026 Revision is published:

#### **Pre-Authorized Single Expense Limits**

All non-Managers: \$500

All Managers: \$1,200

Only a Company President or Sales Director can authorize an expense over \$1,200

#### **Internet**

\$60 per month (or the actual bill if less)

#### **Mileage**

\$0.70 per mile

#### **Cell Phone**


Salespersons: \$75 per month (or the actual bill if less)

Authorized Employees \$75 per month (or the actual bill if less)

Management: \$100 per month (or the actual bill if less)

#### **Cell Phone Allowance (see EOHI-PPH-010A Policy Regarding Mobile Devices)**

\$150

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-006	<b>CURRENT REVISION:</b>  4	
<b>EFFECTIVE DATE:</b>  5/1/2024	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policies Regarding Smoking, Drugs and Alcohol		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-006 – POLICIES REGARDING SMOKING, DRUGS AND ALCOHOL

The offices and facilities of Employee Owned Holdings, Inc. and/or its affiliates (the “Company”) are non-smoking; however, smoking is permitted in the designated smoking areas on Company Premises (generally being over 25 feet away from entrances to such structures).

We desire to develop a safe and productive working environment for our employees. In order to further this objective, the following rules regarding alcohol and drugs in the workplace were established (the “Policy”).

### POLICY

1. The manufacture, distribution, dispensing, possession, sale, purchase or use of an Illegal Drug on Company Premises is prohibited. Being Under the Influence of Unpermitted Drugs on Company Premises is prohibited. Please review the definitions below for the description of Unpermitted Drugs.
2. Being Under the Influence of alcohol on Company Premises is prohibited (with the exception of when alcoholic beverages are permitted to be consumed on Company Premises pursuant to this Policy).
3. Any employee convicted during his or her employment with Company of the distribution or sale of Illegal Drugs on Company Premises or the possession of such drugs with intent to distribute or sell on Company Premises shall be immediately terminated from employment. Any employee convicted during his or her employment with Company of a criminal drug possession or drug use offense, or any employee found to be possessing or using Illegal Drugs, shall be subject to disciplinary action, up to and including termination. If an employee is not terminated, the employee may be required to attend a drug counseling and rehabilitation program and may not be permitted to perform work on a government contract until he or she has successfully completed the program.
4. Employees who violate this Policy are subject to appropriate disciplinary action, up to and including termination.
5. The Policy applies to all employees of the Company regardless of rank or position and includes part-time employees.
6. Company will take reasonable steps to ensure drug/alcohol abuse/misuse does not occur in accordance with Drug-Free Workplace Act of 1988 and United States Department of Defense (DoD) Drug-Free Workforce regulations, through the establishment of a Drug-Free Awareness program that consists of the following:
  - A. Promote the dangers of drug abuse in the workplace. To that end, the Company hereby notifies all employees that unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Company’s workplace or while on Company business.
  - B. Promote that it is Company policy to maintain a drug- free workplace.
  - C. Provide and promote the availability of drug counseling, rehabilitation and employee assistance programs (including self-referral programs).
  - D. Deploy supervisory training and develop procedures for the detection and handling of drug use and violations in the workplace, specifically to include that supervisors who receive notification of

an employee workplace drug conviction are to immediately notify the Company Legal department and Human Resources department.

## DEFINITIONS

- A. Company Premises - All Company Property and the facilities, buildings, structures, installations, work locations, work areas, parking lots, or vehicles owned, operated, leased or otherwise under the control of the Company.
- B. Company Property - All Company owned or leased property including vehicles, lockers, desks, closets, etc.
- C. Controlled Substance - Any substance listed in Schedules I-V of Section 202 of the Controlled Substance Act (21 U.S.C. S 812), as amended.
- D. Drug - A drug is any chemical substance that produces a marked physical, mental, emotional or behavioral change in the user.
- E. Drug Paraphernalia - Equipment, a product or material that is used or intended for use in concealing an Unpermitted Drug or for use in injecting, ingesting, inhaling or otherwise introducing into the human body an Unpermitted Drug or Controlled Substance.
- F. Fitness for Duty - To work in a manner suitable for the job. To determine "fitness," a medical evaluation may include drug and/or alcohol testing.
- G. Unpermitted Drug - An Unpermitted Drug is (i) any drug or derivative thereof which the use, possession, sale, transfer, attempted sale or transfer, manufacture or storage of is illegal ("Illegal Drug") or regulated under any federal, state, or local law or regulation, (ii) any other drug or Controlled Substance, including (but not limited to) prescription drugs, used for any reason other than a legitimate medical reason, and (iii) inhalants used illegally.
- H. Reasonable Suspicion - Circumstances suggesting to a reasonable person the firm possibility that a violation of this Policy has occurred. The circumstances giving rise to Reasonable Suspicion may include, but are not limited to the following:
  - When an employee is observed possessing or using Illegal Drugs or alcohol impermissibly on Company Premises.
  - When an employee exhibits observably impaired performance, or erratic or unusual behavior that appears to be the result of Drug use or alcohol abuse.
  - When an employee is involved in a reportable accident involving any bodily injury or any economic loss to the Company, or when an employee is involved in a reportable safety-related incident.
  - When the Company receives information concerning illegal drug activity or misuse of legal drugs or alcohol that is either provided by reliable and credible source(s) or is independently corroborated.
- I. Under the Influence - The state of not having the normal use of mental or physical faculties resulting from the voluntary introduction into the body of any alcoholic beverage or drug, or being in an altered physical or mental condition which creates a prominent risk to the safety and well-being of the individual, other employees, the public, or Company Property.

## GENERAL POLICY PROVISIONS

- 1. Any of the following actions constitutes a violation of the Policy and may subject an employee to disciplinary action up to and including immediate termination:
  - A. Using, selling, purchasing, transferring, possessing, manufacturing, or storing an Unpermitted Drug or Drug Paraphernalia, or attempting or assisting another to do so, while in the course of employment or engaged in a Company sponsored activity, on Company Premises, or while engaging in Company business.

- B. Working, reporting to work, conducting Company business or being on Company Premises while Under the Influence.
- 2. Alcoholic beverages may be consumed on Company Premises under the following conditions:
  - A. Such activity is restricted to approved social functions outside of normal business hours;
  - B. Approval authority is delegated to the senior manager at that Company facility; and
  - C. Prohibitions against being impermissibly intoxicated or unreasonably impaired still apply.
- 3. All employees should meet Fitness for Duty. Employees are required to notify their supervisor if he or she is Under the Influence, including use of permitted prescription medication which is likely to affect behavior (e.g. labels like “may cause drowsiness,” “do not operate heavy machinery,” etc.) while on Company Premises or when completing Company business. These employees may be reassigned to complete other tasks and duties as the circumstances may require.
- 4. All employees will be subject to random drug and alcohol testing at work. No prior notice may be provided to an employee so selected. Further protocols may be provided to confirm that such testing is undertaken expediently or effectively but not as to materially disrupt Company operations.
- 5. If there is Reasonable Suspicion, an employee may be required by his or her supervisor to complete a drug/alcohol test which is to be administered as soon as it is reasonable.
- 6. **THREE STRIKES** - If an employee should:
  - a. test positive for an Unpermitted Drug,
  - b. refuse or substantially prevent having any drug/alcohol test be timely administered when such testing is permitted under this Policy or by law,
  - c. be impermissibly impaired by alcohol or another Drug when on Company Premises or when engaging in Company Business, or
  - d. knowingly assist another employee in evading detection from the Company of any of the above (each of these being a “Strike”);

then the Company will provide such employee with assistance through an Employee Assistance Program (“EAP”) as is pertinent. Further follow-up testing of such employees may be scheduled as is reasonable. If the employee subsequently does not participate fully in any applicable EAP – this being determined per the reasonable discretion of the Company – (also considered a “Strike”), or the employee commits another Strike, then that employee will be permitted one final opportunity to correct his or her behavior, as a subsequent third Strike by the employee will require him or her to be immediately terminated. As noted below, employment in the Company is “at-will” and there is no guarantee that the Company must provide three Strikes to an employee before employment may be terminated under this Policy.

## **COORDINATION WITH LAW ENFORCEMENT AGENCIES**

The sale, use, purchase, transfer or possession of an Illegal Drug or Drug Paraphernalia is a violation of the law. The company will report information concerning possession, distribution, or use of any Illegal Drugs to law enforcement officials and will turn over to the custody of law enforcement officials any such substances found during a search of an individual or property.

To the extent permitted by applicable law, the Company reserves the right to search and inspect all items and property located on Company Premises, including personal effects, briefcases, tool boxes, lunch boxes, purses, baggage, etc. to monitor compliance with Company policies. This also includes private vehicles if parked on Company Premises. All employees consent to such searches as a condition for continued “at-will” employment. Any employee who refuses to give written consent to any such searches is subject to disciplinary action, up to and including immediate termination.

## **RESERVATION OF RIGHTS**


**The Company reserves the right to interpret, change, suspend, cancel or dispute, with or without notice, all or any part of this Policy, including the procedures or benefits discussed herein.**

To the extent permitted by applicable law, the Company reserves the right to conduct drug testing of employees in the following situations: post-employment offer, reasonable suspicion, post-accident/incident, random, period or follow-up. The Company will require employees to sign a written consent prior to testing and the failure to provide such consent may result in immediate disciplinary action, up to and including termination of employment.

Although adherence to this Policy is considered a condition of continued employment, nothing in this Policy alters an employee's "at-will" status and shall not constitute nor be deemed a contract or promise of employment. Employees remain free to resign their employment at any time for any or no reason, without notice, and the Company retains the right to terminate any employee at any time, for any or no reason, without notice.

#### **OTHER LAWS AND REGULATIONS**

The provisions of this Policy shall apply in addition to, and shall be subordinated to, any requirements imposed by applicable federal, state or local laws, regulations or judicial decisions. Unenforceable provisions of this Policy shall be deemed to be deleted except as they relate to jurisdictions where such a provision is enforceable.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-007	<b>CURRENT REVISION:</b>  1	
<b>EFFECTIVE DATE:</b>  3/1/2013	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policy Against Discrimination and Harassment		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-007 - POLICY AGAINST DISCRIMINATION AND HARASSMENT

It is the policy of Employee Owned Holdings, Inc. and/or its affiliates (the “Company”) to promote and maintain a productive work environment free of any action or conduct which is discriminatory or harasses, interferes, or disrupts any employee’s work performance, or which creates a hostile, offensive or intimidating work experience. The Company prohibits all forms of discrimination or harassment on the basis of race, color, religion, national origin, sex (including pregnancy), age, disability, veteran status, or any factor or characteristic protected by applicable law. This prohibition includes discrimination or harassment against an individual because he or she has opposed prohibited discrimination or has participated in a complaint of discrimination.

This policy prohibits actions which, while they may not be so severe as to constitute harassment in a legal sense, are nevertheless commonly understood to be abusive and disrespectful toward others. Accordingly, slurs or remarks that are derogatory of a person or group’s race, color, religion, national origin, ethnicity, sex age, or disability are considered inappropriate for our working environment. Each person is responsible for exercising good judgment to avoid engaging in conduct that may violate this policy.

Sexual harassment includes unwelcome sexual advances, requests for sexual favors, or any other physical, verbal, or visual conduct of a sexual nature when:

- Submission to the conduct is made either explicitly or implicitly as a condition of the individual’s employment or continued employment.
- Submission to or rejection of such conduct is used as the basis for an employment decision affecting the harassed employee, or
- The harassment has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile or abusive working environment.


Any person who believes that the actions or words of a manager, supervisor, non-supervisory employee, or non-employee constitute discrimination or unwelcome harassment, must immediately bring the matter to the attention of his or her supervisor or to any other supervisor, to the Human Resources Department, or to a President of the Company. Do not allow an inappropriate situation to continue by not reporting it to one of the persons designated above, regardless of who is creating that situation (e.g., supervisor or co-worker or non-employee). No employee or manager is exempt from this policy. Nothing in this policy requires any person complaining of discrimination, harassment, sexual or otherwise, to report the matter to the individual who is the subject of the complaint.

A complaint of sexual harassment or any other form of harassment or discrimination received by any supervisor or manager must be communicated immediately to the Manager of Human Resources regardless of the manner in which the complaint is made (oral, written, anonymous, etc.). All reports of discrimination and harassment will be promptly and objectively investigated. Complaints will be handled on a confidential basis,

except to the extent necessary to conduct a proper investigation. Employees are required to cooperate in any investigation. A timely resolution must be reached and then communicated to the parties.

Any person who in good faith reports discrimination or harassment or other inappropriate conduct or provides information related to a complaint will not be retaliated against or adversely treated with respect to terms and conditions of employment as a result of making a report or providing information. Retaliation against any employee for filing a good faith complaint or participating in an investigation is strictly prohibited.

Any person who engages in harassment or any other violation of this policy is subject to disciplinary action, up to and including immediate discharge.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-007A	<b>CURRENT REVISION:</b>  1	
<b>EFFECTIVE DATE:</b>  1/1/2025	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Fraternization Policy		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-007A – FRATERNIZATION POLICY

### Objective

Employee Owned Holdings, Inc. and its affiliates (the “Company”) strive to provide a work environment that is collegial, respectful, equitable and productive. This policy establishes rules for the conduct of potentially problematic relationships between employees, including supervisory personnel, to help prevent conflicts and maintain a productive and friendly work environment. Other Company policies, including EOHI-PPH-001 Company Employment Policies (EP-6) Hiring of Relatives and EOHI-PPH-007 Policy against Discrimination and Harassment, may also be applicable depending on the circumstances.

### Policy

A romantic relationship between work colleagues may cause problems if not handled correctly. Examples of common concerns are:

- Colleagues might spend a large portion of their work time talking or meeting with each other instead of completing their duties.
- Fights or breakups between romantic couples may affect their ability to collaborate or maintain peace in the workplace.
- Sexual harassment is a concern if a supervising manager is involved.
- Employees might unfairly benefit from favoritism due to the romantic relationship.

Accordingly, Company employees are advised to:

- Consider possible conflicts of interest before entering into a relationship with a coworker.
- Inform the Company’s HR department when entering into a romantic or intimate relationship with a colleague.
- Keep personal issues of a relationship out of the workplace.
- Maintain professionalism regardless of the relationship and request input from the HR department when necessary to solve workplace issues.

In the case of serious workplace problems between couples, they should arrange a meeting with the HR department to determine a solution. An example of a possible solution may involve the transfer of one of the employees to a different division or position. The Company encourages the individuals



involved in a workplace problem to voluntarily determine how to properly resolve the workplace problem but the Company reserves the right after a reasonable period of time to directly address the matter if still remains unresolved.

### **Unacceptable and acceptable behavior**

When two employees are in a romantic relationship with one another, they should behave appropriately in the workplace. The Company defines unacceptable behavior as any action that:

- Unreasonably offends others.
- Significantly disrupts or hinders Company operations.
- Significantly distracts Company employees from their duties.

Examples of acceptable behavior for employees in a romantic relationship are:

- Short or limited interactions together regarding non-work matters.
- Infrequent and discreet displays of affection while on Company premises.
- Arriving and leaving work together.

Examples of unacceptable behavior for employees in a romantic relationship are:

- Arguing in the workplace about relationship matters.
- Kissing or touching inappropriately in front of colleagues.
- Exchanging excessive messages or calls unrelated to work during working hours.

Employees are obliged to behave appropriately towards any colleagues in a romantic relationship with another Company employee, and to not share inappropriate comments, discriminate or harass them. However, Company employees are advised to inform supervisors, Company leadership or the Company HR Department of any unacceptable behavior that is exhibited by such employees. Employees who exhibit unacceptable behavior will face discipline, up to and including termination, especially in cases of repeated and/or willfully disobedient violations.

### **Supervisors**

To avoid accusations of favoritism, abuse of authority and sexual harassment, supervisors are prohibited from pursuing romantic relationships with employees who report to them. This restriction may extend to every supervisor within two supervisory levels above an employee, regardless of team or department to facilitate moving or promoting employees.

Supervisors wishing to pursue a consenting romantic relationship with an employee from another team or department should inform the Company HR Department as soon as possible to help assist in avoiding a possible disciplinary action.

### **Couples married or in a domestic partnership**

Employees in an official relationship with another Company employee will still be required to follow the provisions of this policy.

## **Friendships in the workplace**

Employees who work together may naturally form friendships either in or outside of the workplace. The Company encourages this relationship between peers, as it can help employees communicate, collaborate and preserve harmony while working.

However, there are potentially negative consequences from these personal relationships. Employees who are friends might occasionally:

- Enter into disputes, like over borrowed money.
- Gossip about colleagues and work acquaintances.
- Form cliques that exclude certain colleagues and develop discord.


To mitigate possible issues, Company employees are advised to:

- Delay unproductive non-work related discussions to occur outside of the workplace.
- Request help from the Company's HR Department if unable to resolve an issue or conflict of interest with a fellow employee.
- Follow Company policies and act professionally at all times.

## **Openness**

A key point of this policy is openness. Employees should not be prevented from forming beneficial relationships with one another, but communication is generally helpful to avoid inciting deceit, resentment and/or gossip.

The Company desires freedom and individual rights for its employees, but personnel must adhere to and obey the law.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-008	<b>CURRENT REVISION:</b>  4	
<b>EFFECTIVE DATE:</b>  1/1/2023	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policy and Procedure for Contract Review and Signing		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-008 - POLICY AND PROCEDURE FOR CONTRACT REVIEW AND SIGNING

Employee Owned Holdings, Inc. and/or its affiliates (collectively, the “Company”) enter into contracts almost every day. Each purchase order from a customer and each purchase order sent to a supplier is part of a contract. Contracts set forth the Company’s rights (our ability to require the other party to do or not do something) and the Company’s obligations (the other party’s ability to require that we do or not do something). As such, contracts require care in their preparation, execution and implementation.

This policy describes our procedures for reviewing, approving and signing certain “Contracts.”

### Policy Summary

1. All Contracts require at least one signature.
2. Signatures for Contracts should be by an elected officer or a person authorized by written power of attorney.
3. All Contracts should be reviewed by the Legal Department.
4. All Contracts must have a valid, existing Company legal entity as a contracting party – (e.g., Hydraquip Inc., GCC., Supreme Integrated Technology, Inc.).

### Scope of Policy

1. This Policy applies to all Company people, whether salaried, hourly, full-time, part-time or temporary employees.
2. This Policy also applies to any non-employee agents acting on the Company’s behalf.
3. This Policy establishes a minimum set of standards. The Company’s leadership has authority to adopt policies that are more restrictive than this Policy.

**MOST NORMAL, DAY-TO-DAY PURCHASE ORDERS ARE EXCLUDED FROM THE REQUIREMENTS OF THIS POLICY.** However, these normal purchase orders and any Company quotations or responses to purchase orders, must include the most recent version of the standard Terms and Conditions for such entity of the Company. If requested to acknowledge a purchase order or other document from a vendor or customer, an employee should not execute anything until first confirming that doing so will not affect the terms and conditions of the agreement. Often, acknowledgements provided by other parties are designed to make the terms and conditions of the other party controlling. Signing an acknowledgment may negatively affect the rights and liabilities of the Company. Employees should contact the Legal Department if unsure how the requested acknowledgment will affect the standard Terms and Conditions.

Please note that the following purchase orders **are** included as “Contracts” under this Policy:

1. Purchase orders for any items for inventory or resale totaling in aggregate value over \$1 million.
2. Purchase orders for any services totaling an amount in excess of \$25,000.
3. Purchase orders for supplies or capital improvements, including furniture, fixtures or equipment, having an aggregate fair market value exceeding \$25,000.

**Other examples of “Contracts” under this Policy:** Purchase agreements, program agreements (including agreements relating to rebates, returns, discounts, allowances or contributions), freight agreements, maintenance agreements, license agreements (including software), customer agreements, sales representative agreements, consulting agreements, employment agreements, loan agreements, lease agreements, letters of credit, financing agreements, services agreements, and settlement agreements.

Contracts also include any renewals, extensions, amendments or terminations of an existing Contract.

### **Policy Statement**

Prior to signing any Contract, Contracts must be reviewed and approved by authorized Company Management ("Business Approval") and/or should be prepared or reviewed by the Legal Department ("Legal Review"). In addition, certain Contracts must be approved by the Board of Directors of the pertinent entity of the Company ("Board Approval"). It is the responsibility of the person submitting a Contract for signature, as well as the person who will be signing the Contract, to make sure that all internal approvals and reviews have occurred prior to execution of the Contract. The Legal Department is not responsible for assuring that internal approvals have been obtained.

The requirements for Business Approval and, if appropriate, Board Approval depend, among other things, on the type and term of, and aggregate financial commitment represented by, the Contract.

It is a violation of this Policy to divide a transaction into two or more smaller transactions to reduce the level of required approvals.

### **Contract Execution Process**


Each Contract requires the signature of at least one “Authorized Signatory.” An “Authorized Signatory” is either (i) an elected officer of the legal entity entering into the Contract or (ii) the holder of a power of attorney with the authority to enter into the particular type of Contract. Prior to signing any Contract, an Authorized Signatory must confirm that the Contract has received Business Approval and/or Legal Review and, if appropriate, Board Approval.

### **Contract Renewal, Termination or Expiration**

All Contract renewal, termination or expiration notices to be sent by the Company must be prepared or reviewed by the Legal Department. All Contract renewal, termination, or expiration notices received by the Company must be reviewed by the Legal Department. Upon termination or expiration, all documents relating to a Contract shall be retained in accordance with the Company’s records retention policy.

### **Violations of Policy**

If an employee is involved in or witnesses any violation of this Policy, they should report it immediately to their supervisor or a member of senior management so that the Company can take appropriate action. Any willful or intentional violation of this Policy may be handled through disciplinary action, up to and including termination.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-008A	<b>CURRENT REVISION:</b> 1	
<b>EFFECTIVE DATE:</b> 6/1/2024	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policy and Procedure for Purchasing and Issuing Purchase Orders		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-008A - POLICY AND PROCEDURE FOR PURCHASING AND ISSUING PURCHASE ORDERS

### Policy Statement:

Employee Owned Holdings, Inc. ("EOH") and/or its affiliates (collectively, the "Company") continually purchases materials and equipment to complete its business. This policy outlines the procedures and approval thresholds for issuing Purchase Orders (POs) for inventory within the Company. Purchase Orders are essential for maintaining efficient inventory management and financial control within the organization. Adherence to this policy ensures transparency, accountability, and compliance with financial regulations. Please note that this Policy may be further supported by other policies or quality management documentation of a specific Company entity, with this EOHI-PPH-008A policy preempting any inconsistency.

### Approval Thresholds:

#### 1. \$50,000 Approval Threshold:

- Purchase Orders up to \$50,000 must be approved by the pertinent Company Purchasing Personnel, the pertinent Company Purchasing Manager, a Vice President of the pertinent Company entity, an officer of the pertinent Company entity, the pertinent Company entity President, or the EOH Chief Executive Officer ("CEO"), EOH President, and/or EOH Chief Financial Officer ("CFO") (the CEO, CFO and/or EOH President collectively being "EOH Leadership").

#### 2. \$100,000 Approval Threshold:

- Purchase Orders exceeding \$50,000 up to \$100,000 must be approved by the pertinent Company Purchasing Manager, a Vice President of the pertinent Company entity, an officer of the pertinent Company entity, the pertinent Company entity President, or by EOH Leadership.

#### 3. \$250,000 Approval Threshold:

- Purchase Orders exceeding \$100,000 up to \$249,999.99 must be approved by a Vice President of the pertinent Company entity, an officer of the pertinent Company entity, the pertinent Company entity President, or by EOH Leadership.

#### 4. \$1,000,000 Approval Threshold:

- Purchase Orders exceeding \$250,000 up to \$999,999.99 must be approved by either the pertinent Company entity President, or by EOH Leadership.

#### 5. Full Approval Threshold:

- Purchase Orders exceeding \$1,000,000 must receive approval from EOH Leadership.

### Issuance Thresholds (when no further approval is needed):

#### 1. \$0 Issuance Threshold:

- Company personnel not otherwise identified below, including Outside Sales/Account Managers for the pertinent Company entity, may not issue a Purchase Order without first receiving the required approval as provided herein.

2. \$15,000 Issuance Threshold:

- Inside sales, Customer Service Representatives, and other Company management for the pertinent Company entity may issue a Purchase Order up to \$15,000 without needing further approval.

3. \$50,000 Issuance Threshold:

- Members of the Purchasing department for the pertinent Company entity may issue a Purchase Order up to \$50,000 without needing further approval.

4. \$100,000 Issuance Threshold:

- A Purchasing Manager for the pertinent Company entity may issue a Purchase Order up to \$100,000 without needing further approval.

5. \$250,000 Issuance Threshold:

- A Vice President or other officer of the pertinent Company entity may issue a Purchase Order up to \$250,000 without needing further approval.

6. \$1,000,000 Issuance Threshold:

- The President of the pertinent Company entity may issue a Purchase Order up to \$1,000,000 without needing further approval.

**Policy Enforcement:**

- Any attempt to split transactions or manipulate item costs to bypass the approval and issuance thresholds outlined in this policy is strictly prohibited.

- Violation of this policy will result in disciplinary action, including but not limited to warnings, suspension, or termination of employment, depending on the severity of the offense and the discretion of the management.

**Further Processes:**

- Company entity leadership has the authority to establish and enforce further approval processes for their specific Company entity, provided they align with the noted thresholds of this EOH1-PPH-008A policy, the Company's overall financial guidelines and comply with relevant regulations.

**Compliance:**


- All employees involved in the procurement process are expected to familiarize themselves with this policy and ensure compliance with the stated thresholds and procedures.

- Failure to comply with this policy may result in disciplinary action, including but not limited to warnings, suspension, or termination of employment, depending on the severity of the offense at the discretion of Company management.

**Review and Amendments:**

- This policy will be periodically reviewed to ensure its effectiveness and relevance and any amendments to this policy must be approved by the appropriate Company authorities and communicated to those primarily affected.

By adhering to this policy, the Company aims to uphold the highest standards of integrity, accountability, and fiscal responsibility throughout our organization.

DOCUMENT CONTROL NO# EOHI-PPH-009	CURRENT REVISION:  2	
EFFECTIVE DATE:  1/1/2021	NEXT REVIEW DATE:	
TITLE OF DOCUMENT : Policy Regarding Services from the Legal Department		
ORGANIZATION: EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-009 - POLICY REGARDING SERVICES FROM THE LEGAL DEPARTMENT

The Legal Department is committed to providing proactive legal services to Employee Owned Holdings, Inc. and its affiliates (the "Company") that are relevant, timely and cost-effective to support the Company's business objectives and growth, yet in an ethical and professional manner. To that end, the Legal Department strives to (1) be involved early in the planning and structuring of business deals and the resolution of disputes, (2) solve problems creatively, identifying legal risks and formulating alternatives to achieve the Company's business objectives, (3) communicate effectively with Company members, and (4) foster a climate of mutual respect and a team approach to meeting the Company's business needs.

### *When to Contact the Legal Department*

Before contacting the Legal Department, it is important that employees (1) determine they have a **legal** question as opposed to an administrative, procedural or business issue; (2) check existing manuals, written Company policies, applicable contracts in possession or other available materials for the answer to the question, and/or consult other persons in the Company who may have experience in the particular business or procedural matter; and (3) obtain and gather pertinent supporting documents and other factual information that will be needed to fully analyze the matter.

Please keep in mind that the Legal Department represents the Company, and therefore it is to provide legal services to the Company and to Company employees acting in their official capacity. Time constraints and rules of professional ethics preclude the Legal Department from providing legal services to employees with respect to personal matters. If needing advice on a personal legal matter, the Legal Department may try to provide referrals to private attorneys or note sources which may be able to assist an employee but cannot provide further assistance.

When contacting the Legal Department, employees should (1) obtain whatever supervisory approval is necessary **BEFORE** proceeding with the matter; (2) state the question or problem explicitly and provide all the facts and documents relating; (3) provide a realistic estimate of when a response is needed, and confirm the response date before setting deadlines with internal or external customers or other third parties; and (4) refer matters or problems as soon as aware of them so that they do not become emergencies simply because of delays in bringing them to the Legal Department's attention.

Requests may be submitted by email to the Legal Department at [Legal@eoh-inc.com](mailto:Legal@eoh-inc.com). Employees should recognize that the Legal Department must leverage its resources to balance the needs of the entire user community with the management of legal projects or issues that are material to the Company's overall business objectives and interests. While the Legal Department will strive to complete requests within the time frame requested, the time frame may be adjusted based on the priority assigned to the project. The Legal Department will work with employees to ensure that a matter is given the priority it deserves.

The four priority choices that may be assigned to a matter are:

1- **Critical** (for matters that are determined to be urgent and have a material impact on the business objectives of the Company or the protection of its assets and/or interests);


2- **High** (for matters that are determined to have a material impact on the Company's objectives or interests, but are not urgent);



3- **Normal** (for matters that are time-sensitive but do not have a material impact on the Company's objectives or interests); and

4- **Low** (for matters that are not time-sensitive and have no material impact on the Company's objectives or interests).

Employees should be patient and follow up only when absolutely necessary.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-010	<b>CURRENT REVISION:</b>  4	
<b>EFFECTIVE DATE:</b>  1/1/2019	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policy Regarding Company Communications and Using Media		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-010 - POLICY REGARDING COMPANY COMMUNICATIONS AND USING MEDIA

This Policy Regarding Company Communications and Using Media ("Policy") governs use of all systems and equipment owned by Employee Owned Holdings, Inc. and/or its affiliates (the "Company") or owned by others if used for Company-related business, including telephones, facsimile machines, cellular telephones, pagers, access to the internet or offsite bulletin boards, electronic devices and storage systems (such as computers, disk drives, removable drives and disks, floppy drives and disks, tape drives and tapes and computer modems) and electronic messaging systems (such as the voicemail system and computer e-mail) and/or relates to Company use of "Social Media," including, but not limited to, social networking sites, (such as Facebook® or LinkedIn®); blogs and other on-line journals and diaries; bulletin boards and chat rooms; microblogging, such as Twitter®; and the posting of video on YouTube® and similar media. This Policy applies to all Company employees.

The provisions of this Policy are detailed and lengthy. However, as reliance on advanced technology and the internet in communications area has increased, many companies have adopted similar policies to protect and prevent misuse of this vital part of their business. All Employees must read the entire policy and become familiar with its contents.

- **Ownership.** Generally, the Company (as opposed to any individual employee) owns all communications, data and information in the Company.

- **Use.** Generally, you should use the Company's Communication Systems and Equipment only for the Company's business purposes.

- **Privacy.** USERS DO NOT HAVE A PERSONAL PRIVACY RIGHT IN ANY INFORMATION, DATA OR COMMUNICATIONS, INCLUDING E-MAIL MESSAGES AND VOICE MAIL MESSAGES, CREATED, TRANSMITTED, RECEIVED OR STORED ON THE COMPANY'S COMMUNICATION SYSTEMS AND EQUIPMENT. The Company may access at any time any such data or information, whether or not that data or information relates to the Company's business. Thus, these systems should not be used for any personal communication which you wish to remain private and confidential.

- **Improper Conduct.** As with all Company equipment, you may not use the Company's Communication Systems and Equipment for any improper, illegal or criminal activities, including, but not limited to: (i) use of threatening, insulting, sexually explicit, obscene or abusive language or graphics; (ii) use which contains derogatory language or graphics based upon race, age, religion, ethnic origin, gender, creed, disability or physical appearance; (iii) significant use for commercial activities unrelated to the Company's business, such as personal or commercial advertising; (iv) excessive non-business use; (v) publication of messages in another person's name, anonymously or with false date or other false information; or (vi) use that violates any other Company policy.

- **Social Media.** The Company recognizes that the internet provides unique opportunities to participate in interactive discussions and share information on particular topics using a wide variety of Social Media, for personal as well as business purposes. However, when employees use Social Media, it can pose risks to the Company's confidential and proprietary information, reputation and brands, and can jeopardize the Company's compliance with business rules and laws. The Company is committed to ensuring that employees' use of Social Media serves the needs of the Company's business by maintaining the Company's identity, integrity, and

reputation in a manner consistent with our values and policies. As such, the Company expects its employees to adhere to this policy's guidelines and rules regarding use of Social Media.

## **POLICY**

### **1. *Types of communications and information covered by this Policy:***

1.1. The term "Company's Communication Systems and Equipment" as used in this Policy means any and all communication systems and equipment, including but not limited to, telephones, facsimile machines, computers, computer modems, tablets, special long-distance services, cellular phones, voice mail, pagers, electronic mail, mail and delivery services, storage means of all types for the physical or electronic storage of Company information or data, transaction services, or any other services of any nature whatsoever in connection with any communication systems necessary or desirable to promote the conduct of the Company's business that are either (a) owned or possessed by the Company, or (b) owned by a User or other third party and used in connection with the Company's business [but in the case of (b), only during the time that such communication systems or equipment are being used in connection with the Company's business.

### **2. *General application and acceptance of this Policy:*** The right to use the Company's Communication Systems and Equipment is at the will of the Company and is conditioned on continued compliance with the Company's rules and policies.

2.1. This Policy applies to all employees, third party contractors, guests, licensees, invitees or other individuals who use, possess or have access to the Company's Communication Systems and Equipment (cumulatively referred to herein as the "Users" of the Company's Communication Systems and Equipment) or use Social Media.

2.2. Employment by the Company, agreement by a contractor to do business with the Company, or use of the Company's Communication Systems and Equipment by a User, including the continuation of any such relationship with the Company in the future, constitutes acceptance of and consent to the terms of this Policy.

2.3. Users are allowed to use the Company's Communication Systems and Equipment only at the will and discretion of the Company. The Company has the right to prohibit Users from using the Company's Communication Systems and Equipment at any time for any reason. Moreover, the Users' right to use the Company's Communication Systems and Equipment is conditioned on acceptance of the terms of this Policy and the accompanying Procedures as well as continued compliance with this and all of the Company's other rules and policies.

### **3. *General Policy of the Company with respect to the Company's Communication Systems and Equipment:*** It is the general policy of the Company:

3.1. To provide or contract for effective Communication Systems and Equipment for use by the Company in connection with its business.

3.2. To preserve and protect the confidentiality of the information and data of the Company.

3.3. To operate and maintain the Company's Communication Systems and Equipment in a manner that is in full compliance with all applicable laws and regulations.

### **4. *Limits on expectations of privacy:*** All users of the Company's Communication Systems and Equipment are *advised* and placed on notice that:

4.1. The Company reserves the right and intends to exercise its right to monitor and access on a contemporaneous basis communications transmitted by or stored within its Communication Systems and Equipment in the ordinary course of the Company's business to ensure that no improper, illegal or criminal activities are being conducted. Such monitoring shall be effected in accordance with the law and if authorized by the Company's Human Relations Department, Legal Department or the President.

4.2. USERS DO NOT HAVE A PERSONAL PRIVACY RIGHT IN ANY INFORMATION, DATA OR COMMUNICATIONS, INCLUDING E-MAIL MESSAGES AND VOICE MAIL MESSAGES, CREATED, TRANSMITTED, RECEIVED OR STORED ON THE COMPANY'S COMMUNICATION SYSTEMS AND EQUIPMENT. The Company reserves the right and intends to exercise its right in its discretion to monitor, search, review, audit, intercept, access and disclose e-mail messages, voice mail messages, data or information stored on the Company's computers or other electronic devices or media owned or controlled by the Company or comprising the Company's Communications Systems and Equipment, whether or not the information, data or communication relates or pertains to the Company's business or service. As such, Users should not use the Company's Communication Systems and Equipment to send or received private, personal messages they do not wish monitored or accessed by the government, third parties or the Company.

4.3. The Company reserves the right to and intends to exercise the right in its discretion to delete or destroy communications, including e-mail and voice mail messages, stored in the Company's Communication Systems and Equipment. As a general rule, some, but not all, of the Company's Communication Systems and Equipment is backed-up and all components should, therefore, be thought of as very temporary storage media. If, for example, a machine failure in the Company's Communication Systems and Equipment occurs, all messages and data on that system could be lost. Therefore, Users must not consider e-mail and voice mail messages to be permanently stored by the Company. (As a result, it is not a good practice to use the Company's voice mail system to save important messages for any extended period.) On the other hand, the Company also reserves the right and intends to exercise the right in its discretion to preserve any and all communications, including e-mail and voice mail messages, transmitted by or stored within the Company's Communication Systems and Equipment. Users therefore also should take care that the messages they transmit or store comply with all of the Company's policies and with the law.

4.4. Cellular and Cordless Phones: When cordless or cellular phones are used to conduct business or to access the Company's electronic mail system, there is an increased risk of interception of confidential information (including the User's password to the electronic mail system). Accordingly, extreme care should be exercised with respect to confidential communications conducted wirelessly or via cordless or cellular phones.

4.5. Communications transmitted over the internet: You should be aware that when the internet is used to discuss business information, there is possibly some increased risk of interception of the information than if the communication is effected via the telephone system (other than through the use of cellular or cordless phones) or through an electronic mail system that does not utilize the internet. Extremely confidential communications should not be transmitted via the internet unless the communication is encrypted.

## 5. *Ownership and confidentiality of information:*

5.1. In general, any communications, data or information created, received or sent on any of the Company's Communication Systems and Equipment are the property of the Company. Except for non-Company use of any of the Company's Communication Systems and Equipment that are not owned or possessed by the Company, Users have no right, title or interest in the Company's Communication Systems and Equipment or in any communications, data or information created, received or sent on the Company's Communication Systems and Equipment. Further, all means of identifying communications, such as the use of domain names on the internet or other networks or systems, that embody the Company's image, names or marks (such as an internet domain name incorporating "Hydraquip," "Employee Owned Holdings," or the like) shall belong to the Company.

5.2. The Company is and remains the owner of all information created by the Company's employees during their relationship with the Company that relates to the business and services of the Company, no matter where such information is stored or maintained, e.g., in electronic form on the hard drives of the Company's computers, in electronic form in servers maintained by the Company as part of its network, or in diskettes or computers purchased by the Company that are in the possession of the Company's employees.

5.3 Users are obligated to protect the confidentiality of the Company's information no matter where such information is stored or maintained, e.g., in electronic form on the hard drives of the Company's computers, in electronic form in servers maintained by the Company as part of its network or in diskettes or computers

purchased by the Company that are in the possession of the Company's employees. Please refer to the Company Confidentiality Policy for further direction.

5.4 Passwords are a key part of protecting the Company's information and equipment to make sure only authorized people can access those resources and data. All employees who have access to any of these resources are responsible for choosing strong passwords and protecting their log-in information from unauthorized people. All Company resources and data should receive adequate password protection. The following should be considered in determining whether password protection is at least adequate:

#### **Password creation**

- All passwords should be reasonably complex and difficult for unauthorized people to guess. Employees should choose passwords that are at least eight characters long and contain a combination of upper- and lower-case letters, numbers, and punctuation marks and other special characters. These requirements will be enforced with software when possible.
- In addition to meeting those requirements, employees should also use common sense when choosing passwords. They must avoid basic combinations that are easy to crack. For instance, choices like "password," "password1" and "Pa\$\$w0rd" are equally bad from a security perspective.
- A password should be unique, with meaning only to the employee who chooses it. That means dictionary words, common phrases and even names should be avoided. One recommended method to choosing a strong password that is still easy to remember: Pick a phrase, take its initials and replace some of those letters with numbers and other characters and mix up the capitalization. For example, the phrase "This may be one way to remember" can become "TmB0WTr!".
- Employees must choose unique passwords for all of their company accounts, and may not use a password that they are already using for a personal account.
- All passwords must be changed regularly, with the frequency varying based on the sensitivity of the account in question. This requirement will be enforced using software when possible.
- If the security of a password is in doubt— for example, if it appears that an unauthorized person has logged in to the account — the password must be changed immediately.
- Default passwords — such as those created for new employees when they start or those that protect new systems when they're initially set up — must be changed as quickly as possible.

#### **Protecting passwords**

- Employees may never share their passwords with anyone else in the company, including co-workers, managers, administrative assistants, IT staff members, etc. Everyone who needs access to a system will be given their own unique password.
- Employees may never share their passwords with any outside parties, including those claiming to be representatives of a business partner with a legitimate need to access a system.
- Employees should take steps to avoid phishing scams and other attempts by hackers to steal passwords and other sensitive information. All employees should receive training on how to recognize these attacks.
- Employees should refrain from writing passwords down and keeping them at their workstations.
- Employees should not use password managers or other tools to help store and remember passwords without permission from the IT department or one's supervisor.

#### **6. *Specific prohibitions regarding the use of the Company's Communication Systems and Equipment:***

6.1. Users shall take all steps possible to avoid connecting incompatible or non-approved equipment to the Company's Communication Systems and Equipment. If there is any uncertainty or any question about the compatibility of any piece of equipment or a desire to obtain lists of approved equipment, please contact Information Systems. Users must also take all steps possible to avoid using in the Company's Communication Systems and Equipment any software that is infected with a virus.

6.2. In general, the Company's Communication Systems and Equipment should be used for Company purposes only. While employees, subject to the other sections of this Policy, may to a limited degree use the Company's address and the Company's Communication Systems and Equipment for receiving personal telephone calls, mail or e-mail, employees should refrain from excessive personal use of the Company's address and the Company's Communication Systems and Equipment. Employees should exercise care so

that personal electronic communications do not appear to be an official communication of the Company (e.g., the use of the Company name or logo, or your position at the Company, may not be used in electronic communications not related to Company business).

For electronic communications related to Company business (sent through Outlook or other means):

- (a) The sender must use a signature block that accurately reflects his or her position at the Company; and
- (b) The sender should not use images, inspirational quotations, decorative backgrounds, animations or the like in the signature block of their electronic communication.

6.3. Users may not use the Company's Communication Systems and Equipment for or in connection with any illegal or criminal activity.

6.4. Users shall refrain from absolutely any activity that may cause harm or damage to the Company's Communication Systems and Equipment or any communications, data or information transmitted by or stored within such Communication Systems and Equipment.

6.5. Users may not use the Company's Communication Systems and Equipment for any activity that infringes third party intellectual property rights or violates any Company policy. The Company strictly forbids its personnel to use any software that is not licensed for conditions under which it is used. The Company may audit the use of the Communication Systems and Equipment to assure that its utilization is strictly limited to licensed rights. Except where the Company has license rights that so permit, the Company strictly forbids its personnel from copying Company-certified software for use on a non-Company personnel computer, e.g., a "home computer." All Company software is intended to be used only on Company-supported computers.

6.6. Users should generally limit the downloading of information from the internet or other public or third party systems into the Communication Systems and Equipment to avoid the infringement on third party copyright or other intellectual property rights (as well as to avoid possible introduction of computer viruses into the Company's Equipment). If in the course of Company-related business, such downloading is necessary and assuming such downloading would not infringe a third party's intellectual property rights, then all files downloaded should be appropriately scanned for computer viruses.

6.7. Prohibited uses of the Company's Communication Systems and Equipment:

6.7.1. The Company's Communication Systems and Equipment may not be used to download, communicate or transmit any language or graphics that are derogatory or abusive toward an individual or group of individuals based on race, age, religion, ethnic origin, gender, creed, disability, or physical appearance.

6.7.2. The Company's Communication Systems and Equipment may not be used to download, communicate, or transmit any pornographic language or graphics.

6.7.3. The Company's Communication Systems and Equipment may not be used for commercial activities that are not related to the Company's business.

6.7.4. Users may not without authority send messages in another's name or send messages in another person's name anonymously or with a false date or other information.

6.7.5. Users should not attempt to access files, voice mail or e-mail messages of another or other stored information without proper authorization.

6.7.6. Except for legitimate business purposes, Users of the Company's Communication Systems and Equipment may not forward messages under circumstances likely to lead to embarrassment of the sender or to violate a clearly expressed desire of the sender to restrict additional dissemination.

## 7. *Out of Office Communications:*



7.1 The Company recognizes that there are occasions where a Company employee may not reasonably be able to readily communicate with customers, vendors, and other business contacts by email, phone or by other communication devices. These “out of office” occasions include, but are not necessarily limited to, a Company employee taking some scheduled time off, traveling and working outside of his or her general business area, and/or participating in other Company approved absences (the “Out of Office Events”).

7.2 Company employees are required to recognize Company “backup contact(s)” for all of the matters each employee is involved with. If there are questions about who should act as one’s backup contact(s) for these matters, Company employees are directed to contact his or her immediate supervisor.

7.3 Each Company employee must complete the following steps for any anticipated Out of Office Events expected to last a day or longer (these steps are recommended but optional for Out of Office Events lasting less than one day):

7.3.1. **Phone** – Any phone numbers used for Company business (i.e. all phone numbers provided on Company email signature blocks) by the employee should incorporate a voice message for missed calls providing (1) the employee’s name, (2) an explanation that he or she is or will be “out of the office,” (3) the anticipated duration of absence (i.e. expected time of return), (4) note any potential availability to respond to a voice message, and (5) specify backup contact(s) information: this includes noting for specific business matters (e.g., “for invoicing issues please contact...”) (i) the backup contact(s)’ name and (ii) the backup contact(s)’ phone number and/or email.

7.3.2. **Email** – All Company business emails used by the employee should incorporate an auto response message (for Microsoft Outlook, use the Auto Replies/Out of Office module) to provide (1) an explanation that he or she is or will be “out of the office,” (2) the anticipated duration of absence (i.e. expected time of return), (3) note any potential availability to respond to emails, and (4) specify backup contact(s) information: this includes noting for specific business matters, (i) the backup contact(s)’ name and (ii) the backup contact(s)’ phone number and/or email.

7.4 A Company employee generally cannot complete the steps described in Section 7.3 when the Out of Office Events are unanticipated (e.g., a medical emergency). In case of any unanticipated Out of Office Events, a Company employee should contact his or her immediate supervisor as soon as is reasonable. Once the supervisor is contacted, the immediate supervisor is responsible for making sure adequate contingencies are in place for unanticipated Out of Office Events longer than a day. These contingencies would be similar to taking the steps in Section 7.3, with further assistance provided by the Company’s IT Department. The supervisor is responsible for informing affected business contacts of the duration of the employee’s expected unavailability and also specifying who will address issues in the meantime.

## 8. *Personal Cell Phones and Handheld Devices*

8.1 Employees are permitted to bring their personal cell phones and handheld devices (“Personal Devices”) when working at Company facilities. Occasionally, Personal Devices may not be allowed at other worksites or locations an employee travels to for Company business, based on the rules for such locations. Employees shall reasonably respect such rules when called to perform Company business at such locations.

8.2 Excessive use of Personal Devices for non-Company business can drive down productivity for the Company, cause distractions, and make for unsafe conditions. All employees shall restrict themselves from any excessive use of Personal Devices for Non-Company business while at Company facilities. Except for rare occasions or with a supervisor’s permission, Company employees are not permitted to use Personal Devices for non-Company business while working in areas where products or equipment are moved around. Safety is our key consideration as Company employees must not be distracted in these areas. When instructed to by a supervisor, employees should immediately discontinue use of Personal Devices for non-Company business until their next work break.

## 9. *Social Media Policy*

9.1 Company employees should not participate with Social Media during their work time or with Company equipment or property for personal reasons.



9.2 Employees are to adhere to any Company policies directly relating to such activities. Employees must clearly and conspicuously disclose their employment relationship with the Company when posting a comment regarding our services or products. Employees may not disclose personal or contact information of coworkers, employees or supervisors in Social Media without receiving their prior permission. Employees may not defame or otherwise discredit the Company's products or services, or the products or services of its vendors or competitors. Employees may not mention customers, business partners, or suppliers of the Company in Social Media without first receiving approval to do so by such party. This policy is not intended and should not be interpreted in a manner that interferes with the rights of any employee to engage in protected concerted activity within the meaning of the National Labor Relations Act.

9.3 When Company employees use Social Media for legitimate business purposes, the employee should seek express approval to use such Social Media with the Company's legal department. When an employee is engaged in blogging or professional networking for legitimate business purposes, that employee is responsible for complying with all relevant Company policies.

9.4 Disclaimer: When an employee mentions their relationship with the Company in Social Media, unless authorized to communicate for the Company on such matter, the employee must include a disclaimer that specifically states, "*the opinions and attitudes expressed are mine alone and may not be aligned with those of the Company.*" An employee should make it clear that he or she is speaking for himself or herself and not on behalf of the Company. Employees are encouraged to protect their privacy.

9.5 Employees may not advertise or sell any Company products or services on any website or in Social Media without authorization from the Company.

9.6 All other Company rules and policies regarding disclosure of sensitive, proprietary, financial or confidential information apply in full to Social Media. This includes, but is not limited to, information about trademarks, products, finances, number of employees, Company strategies and any other information not previously publicly released by the Company. If there is a question about whether information has been released publicly, employees should contact their supervisor or the Company's General Counsel.

9.7 All Company rules and policies regarding discrimination and harassment apply to Social Media. The Company is firmly committed to its equal employment opportunity policies and does not condone or tolerate discrimination. The Company prohibits all forms of unlawful harassment. Company employees may not engage in any conduct, activities, communication or postings which violate Company policies regarding discrimination and harassment. No messages with derogatory or inflammatory remarks about any legally protected characteristic shall be transmitted or retrieved. No abusive, profane or offensive language may be transmitted. Any conduct which is impermissible under the law if expressed in any other form or forum is also impermissible if expressed through Social Media, text messages or other electronic means.

9.8 Media contacts made through Social Media regarding the Company, its products, employees, agents, vendors, customers or competitors should be referred to the Company's Marketing Department.

9.9 The Company reserves the right to monitor all public blogs and Social Media forums for the purpose of protecting its interests and monitoring compliance with Company policies. If any activity is found to be compromising, insubordinate or adverse to the Company's legitimate business interests, the Company may require that any detrimental commentary or postings be deleted. The Company reserves the right to access any Company computers and electronic communication devices to monitor Social Media sites. You should not have any expectation of privacy with respect to information transmitted over, received by, or posted on such sites.

## 10. Questions and Reporting:

10.1. Questions about interpretation of this Policy should be referred to the Company's Human Resources Department or Legal Department.

10.2 If you believe that someone is not following this Policy or a blog or other online communication violates any Company policy, you should immediately report this matter to the Company's Human Resources Department. The Company will investigate the matter, determine whether a breach in this Policy has


occurred or if such blog, posting, website, or communication violates Company policies, and take appropriate action.

11. *No Company obligations:*

11.1. This Policy creates no Company obligation nor any individual obligation, right, term, condition or privilege of employment not otherwise established by law. Nothing in this Policy changes, modifies or amends the relationship between the User and the Company. The Company has voluntarily adopted this Policy for its sole and exclusive use and may amend, modify or withdraw it at any time without prior notice.

12. *Improper usage may result in termination:*

12.1. Improper use of the Company's Communication Systems and Equipment or failure to follow this policy in regards to Social Media may result in discipline, up to and including termination.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-010A	<b>CURRENT REVISION:</b>  2	
<b>EFFECTIVE DATE:</b>  1/1/2018	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policy Regarding Mobile Devices		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-010A – POLICY REGARDING MOBILE DEVICES

This Policy Regarding Mobile Devices (“Policy”) governs use of cellular telephones, tablets, iPads, laptops, netbooks and/or other electronic mobile devices (“Mobile Equipment”) used for the business of Employee Owned Holdings, Inc. and/or its affiliates (the “Company”). This Policy is in addition to the requirements and guidelines in EOHI-PPH-010 Policy Regarding Company Communications and Media, with any differences between that policy and this Policy to be construed in favor of this Policy. This Policy is to be read in conjunction with EOHI-PPH-005 – Policy Regarding Business Expenses (“Business Expenses Policy”), with any differences between that policy and this Policy to be construed in favor of this Policy.

### I. PURPOSE AND SCOPE

The purpose of this Policy is to provide assistance and guidance in the acquisition, approval, administration and use of Mobile Equipment, and to contain the costs of the Mobile Equipment.

### II. APPLICATION

This policy applies to all Company employees who require any Mobile Equipment to perform their job duties, as deemed by the Company’s sole discretion.

### III. OVERALL POLICY

Mobile Equipment may be approved for those personnel designated by management as requiring any such Mobile Equipment to effectively complete job responsibilities for the Company (“Mobile Employees”). The Company’s Human Resources department shall provide notice of such requirement to the employee. The Company’s IT department will interface with the Mobile Employees to provide any required Mobile Equipment.

Any cell phone or other Mobile Equipment provided to an employee are Company equipment and, as such, are assigned for work requirements. The privilege of using the Mobile Equipment can be revoked at any time if (1) the criteria that made it necessary for an employee to have such Mobile Equipment ceases to exist, or (2) in the event of improper use of the Mobile Equipment. Improper use of the Mobile Equipment includes but is not limited to the prohibitions found in Paragraph 6.7 of EOHI-PPH-010 - Policy Regarding Company Communications and Using Media. All Mobile Equipment should be protected by password pursuant to Paragraph 5.4 of EOHI-PPH-010 - Policy Regarding Company Communications and Using Media.

### IV. MOBILE PHONES

#### a) New Employees

Generally, the Company may provide new Mobile Employees, Mobile Employees hired October 1, 2013 and afterward (“New Employees”), with phone equipment, SIM card and phone line/ account owned by the Company for the employee to use for business. The Company will provide the new Mobile Employee with 1) unused Company phone equipment that is still under contract with the network provider, or if no such phone equipment is available, 2) the Company may expend the allowance specified under the then current EOHI-PPH-005A – Annual Business Expense Amount Limits (“Cell Phone Allowance”) for purchasing a phone for use by the New

Employee. New Employees should interface with the Company's IT Department to receive the phone equipment, ask questions and confirm that the phone account is properly set up.

b) Existing Employees

Mobile Employees hired prior to October 1, 2013 ("Existing Employees") may continue being reimbursed for phone expenses under the Business Expenses Policy.

c) Renewals / Upgrades

The Company will upgrade Company phone equipment at Company's expense, up to the amount of the Cell Phone Allowance, once the required contract term for such phone equipment has ended (generally, this is a 24-month period from when the phone equipment was first acquired by Company). If a Mobile Employee is to receive a new Company phone or is to upgrade their Company phone per above, the Mobile Employee, at his or her prior written discretion, may provide the Company with the cost of the difference for phone equipment the Mobile Employee desires that is over the Cell Phone Allowance (the "Difference"). The Difference will be used by the Company to acquire such phone equipment to be used by the Mobile Employee. The Company will retain full ownership of such phone equipment, with the Difference being the Mobile Employee's consideration to the Company to acquire such phone equipment for the Mobile Employee's use.

d) Ownership


Mobile Employees are solely responsible for maintaining the phone equipment provided by Company. **ANY COSTS FOR INSURANCE, LOSSES, REPAIRS OR REPLACEMENTS OF PHONES OR EQUIPMENT ARE THE SOLE RESPONSIBILITY OF THE MOBILE EMPLOYEE.** Except for software or applications ("Apps") which the Company determines are necessary for completing Company business, Mobile Employees are solely responsible for the costs of any Apps downloaded or installed on a phone.

e) International Use

Mobile Employees should interface with the Company's IT Department before non-domestic use of Company phone equipment. Mobile Employees using Company phone equipment internationally will only be able to make such use as is reasonable, with the Company reserving the right to be reimbursed from Mobile Employees who make excessive or unreasonable calls or use excessive or unreasonable amounts of network data that bring additional cost to the Company. Mobile Employees should use best practices to avoid excessive and unnecessary costs to the Company when using a Company SIM Card or Company cell phone account. For example, one way that Mobile Employees may be able to save money is by purchasing a SIM Card in the international territory, and to use this purchased SIM Card for making local calls in the region, with the Company to reimburse such reasonable costs pursuant to the Business Expense Policy. Mobile Employees should work with management and the Company's IT Department to determine how to best address international cell phone services on a case-by-case basis.

## V. LAPTOPS AND TABLETS

Generally, the Company will provide Mobile Employees with a laptop and/or tablet when required. In such case, the Company will require that such Mobile Employees shall not install additional software except in accordance with the law, licensing agreements and copyright regulations. **THE COMPANY IS NOT RESPONSIBLE FOR TECHNICAL ASSISTANCE FOR ANY APPLICATIONS OR HARDWARE NOT APPROVED AND INSTALLED IN THE LAPTOP OR TABLET BY THE COMPANY.** In the event that routine troubleshooting fails to address software problems per above, the Company will only provide the reinstallation of its required software. **MOBILE EMPLOYEES ARE EXPECTED TO PROTECT MOBILE EQUIPMENT FROM DAMAGE AND THEFT, AND TO REPORT TO THE IT DEPARTMENT ALL INCIDENCES OF THEFT OR VANDALISM TO THE MOBILE EQUIPMENT WITHIN TWENTY-FOUR (24) HOURS OF RECEIVING KNOWLEDGE OF SUCH LOSS.** The Company may enter into further agreements with Mobile Employees or provide further reasonable restrictions regarding the use of Mobile Equipment. Questions regarding this policy and Mobile Equipment should be directed to the Company's IT department.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-010B	<b>CURRENT REVISION:</b> 1	
<b>EFFECTIVE DATE:</b> 1/1/2024	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Cybersecurity Training Policy <b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-010B – CYBERSECURITY TRAINING POLICY

### Purpose

The purpose of this policy is to establish guidelines and requirements for cybersecurity training to safeguard company assets, sensitive information, and overall digital infrastructure. Effective cybersecurity also requires the awareness and proactive support of all individuals, making full use of the technical security controls and to consider social engineering attacks and other exploits being used.

### Scope

This policy applies to all employees and contractors (“Staff”) who have access to the Company’s Communication Systems and Equipment. It also applies regardless of whether Staff use computer systems and networks, since all are expected to protect all forms of information assets including computer data, written materials/paperwork, and intangible forms of knowledge and experience.

### Policy

The Company shall provide Staff with training to avoid cybersecurity breaches on an at least monthly basis. Staff shall promptly participate and complete such trainings and other reasonable activities when informed by Company management. Any Staff not satisfactorily and regularly completing such trainings can result in a non-compliance event (“**Failure**”) for such individual, as it’s determined by the Company’s Cybersecurity Committee.

Staff shall also be tested on a regular basis with phishing exercises provided through email to confirm that the Staff shall avoid potential cybersecurity breaches. These phishing exercises are intended to persuade Staff to do any of the following:

1. Click on a URL,
2. Open or enable a macro on an attachment,
3. Contact or transmit information/data to or from the sender of the phishing email, or
4. Reply back to the phishing email address.

Completion of any of the above actions by Staff constitutes a Failure.

Effective January 1, 2024, Failures by Staff in a continuous 12-month period shall result in the following penalties:

Failure Count	Resulting Remediation/Action
1 <sup>st</sup> Failure	Email Warning Mandatory Completion of Additional Training
2 <sup>nd</sup> Failure	Email Warning Mandatory Completion of Additional Training


	Written Notice from Manager (copy HR Department)
3 <sup>rd</sup> Failure	Email Warning Mandatory Completion of Additional Training Formal Written Notice from Manager and HR Department
4 <sup>th</sup> Failure	Email Warning Mandatory Completion of Additional Training Formal Written Notice from Manager, HR Department and President Unpaid Suspension of one (1) Day or similar discipline
5 <sup>th</sup> or Subsequent Failures	Same as 4 <sup>th</sup> Failure above Cybersecurity Committee meets to determine potential termination

Additionally, Failures may negatively affect the results of a performance review for a Company employee.

Repeated and sustained Failures by an individual outside of the 12-month period noted above (e.g. three (3) consecutive years with 8 total failures) may result in additional discipline to Staff, up to and including termination.

Any individuals, who feel that a Failure was unfairly applied, may provide written notice along with an explanation of why the Failure should not be equitably applied to him or her to the Company's HR department. The Company's Cybersecurity Committee, in its sole and final discretion, may then void such a Failure or otherwise determine whether to proceed with any variation from the above penalties. The Company's Cybersecurity Committee shall be made up of top Company leadership, including individuals from the Company's HR and IT departments.

Nothing in this policy shall prevent the Company from implementing and executing other efforts or activities when reasonable to protect Company data, network, systems and other assets.

DOCUMENT CONTROL NO# EOHI-PPH-011	CURRENT REVISION:  4	
EFFECTIVE DATE:  1/1/2023	NEXT REVIEW DATE:	
<b>TITLE OF DOCUMENT :</b> Policy for Protection of Confidential Information and Trade Secrets		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-011 - POLICY FOR PROTECTION OF CONFIDENTIAL INFORMATION AND TRADE SECRETS

Employee Owned Holdings, Inc. and its affiliates (collectively the “Company”) use and receive confidential information and trade secrets in conducting its day-to-day business. It is the responsibility of each Company employee to comply with all aspects of this Policy. Unauthorized use or disclosure of Confidential Information or violation of this Policy is unacceptable and may lead to discipline, including termination. The Company has a legitimate interest in preventing the dissemination or misuse of Confidential Information belonging to it. Confidentiality obligations under this Policy are in addition to the obligations set forth under any other confidentiality agreement with the Company that is signed by an employee.

### 1 CONFIDENTIAL INFORMATION

#### 1.1 DEFINITION

“**Confidential Information**” of the Company is any non-public technical and non-technical information related to Company’s past, present or future business, products or services. Examples of this sort of information include but are not limited to “**trade secrets**” (defined as a formula, practice, process, design, instrument, pattern, or compilation of information which is not generally known or reasonably ascertainable, by which a business can obtain an economic advantage over competitors or customers), designs, drawings, inventions, patent applications, know-how, processes, algorithms, source documents, research, development, specifications, business plans, roadmaps, possible mergers or acquisitions, Human Resources activities, financial information, marketing, pricing, customer lists, forecasts and projections. The Company is concerned about protecting all of its Confidential Information, but in particular, the Company will vigorously protect information related to Company’s intellectual property, future business plans of the Company (including possible mergers and acquisitions, inventions and ideas), design and implementation documentation, future product plans and offerings, strategies, patent applications and possible opportunities with partners and customers (“**Sensitive Confidential Information**”), all of which may receive further levels of protection beyond this Policy.

#### 1.2 EXCLUSIONS

Confidential Information does not include any information that is already lawfully known to the public, like information on Company websites, marketing materials, trade show demonstrations, published articles and generally available product documentation shipped to customers.

#### 1.3 USE AND DISCLOSURE OF CONFIDENTIAL INFORMATION

Employment creates a relationship of confidence and trust with respect to the Confidential Information of an employer. Therefore, all Company employees must immediately provide notice to the Company if a contract or other agreement, including those with a previous employer (like a Non-Competition Agreement), would negatively affect that Company employee’s expected duties with the Company.

Employment with the Company provides one access to the Confidential Information of the Company (“**Company Confidential Information**”), as well as the Confidential Information of third parties (like a customer, vendor or business partner) with whom the Company agrees to hold information of such party in confidence (“**Non-Company Confidential Information**”). All employees are required to keep and hold all Company Confidential Information and Non-Company Confidential Information in strict confidence and trust and may not disclose either at any time except as provided under this Policy. Further, all employees may only use Company Confidential Information for Company business to Company’s benefit and Non-Company Confidential Information for the specified purposes agreed to between that third-party and



Company (if any). No other disclosure or use of Company Confidential Information or Non-Company Confidential Information is permitted. If anyone attempts to compel the disclosure of any Company Confidential Information or Non-Company Information by subpoena, discovery, or otherwise, Company employees are strongly encouraged to notify the Company immediately, prior to making any disclosures, to allow the Company to take any actions it deems necessary to protect its interests before any disclosures are made. If an employee is unsure of the purposes agreed to between a third-party and the Company they should request assistance from the Legal Department.

It is the Company's policy not to improperly obtain or use confidential, proprietary, or trade secret information that belongs to third parties, including those who have engaged or entrusted confidential information to Company employees. Company employees should not use for the Company's benefit or disclose to the Company any confidential, proprietary or trade secret information that belongs to others without first advising the Company that the information belongs to a third party and securing consent from the Company (and the owners of the information, as applicable) as to its disclosure or use.

#### **1.4 EMPLOYEE'S CONFIDENTIAL INFORMATION**

Company employees may on occasion provide the Company with information considered personal or confidential information. The Company respects the privacy of its employees, former employees and job applicants and will share provided information only for business reasons consistent with applicable law.

#### **1.5 CONFLICT OF INTEREST**

Many of Company's customers actively compete with each other in the same markets. Company employees demonstrate integrity by sharing a sense of responsibility in diligently identifying any actual or potential conflicts of interest related thereto. Should a Company employee perceive a potential conflict in relation to Company activities for competing customers, said employee must immediately discuss the matter with employee's manager. In such event, the Company will investigate the potential conflict of interest, and will advise Company employees how best to proceed.

#### **1.6 NON-COMPANY CONFIDENTIAL INFORMATION**

In order to more effectively serve its customers, Company may be provided Non-Company Confidential Information by its customers. In addition to those obligations set forth in Section 1.3 above, all employees shall access Non-Company Confidential Information only on a need-to-know basis and only to the extent necessary to perform services for such customer. Each customer's Non-Company Confidential Information shall be kept separate from the Non-Company Confidential Information of all other customers, and such information shall be made accessible only to employees while serving that particular customer. In no event shall the Non-Company Confidential Information of a given customer be used in any manner detrimental to such customer, including without limitation, used to compete, directly or indirectly with such customer, or to aid competitors of said customer. Company may, from time to time, implement additional organizational, technical, and physical measures and controls to protect and ensure the security and confidentiality of Non-Company Confidential Information of a given customer, and each employee shall fully comply with such additional measures at all times.

## **2 NON-DISCLOSURE AGREEMENTS**

### **2.1 SHARING CONFIDENTIAL INFORMATION**

The Company may need to share Confidential Information with persons and entities who are not employees of the Company ("**Third Parties**"). There is only one approved method for sharing Confidential Information with Third Parties which is by requiring Third Parties to execute a Non-Disclosure Agreement as set forth in this Policy. Disclosure of Confidential Information by a Company employee to Third Parties without an approved Non-Disclosure Agreement or prior to the execution of a Non-Disclosure Agreement is unacceptable and may lead to discipline up to and including termination.

### **2.2 NON-DISCLOSURE AGREEMENT OVERVIEW**

A Non-Disclosure Agreement (also called a Confidentiality Agreement or NDA) is a written agreement between two parties that outlines how each party is going to use and protect from disclosure the Confidential Information of the other party. There are basically two kinds of Non-Disclosure Agreements: a **mutual** Non-Disclosure Agreement which covers disclosures made by both parties and a **unilateral** Non-Disclosure Agreement which covers disclosures made by only one party.

### **2.3 STANDARD COMPANY NON-DISCLOSURE AGREEMENTS**

The standard Company Non-Disclosure Agreements (mutual and unilateral) are located on the Company Network Shared Drive under *Intranet Tree/NDA/Forms*. The Legal Department does not need to review use of an unmodified standard Company Non-Disclosure Agreement. Company employees are encouraged to provide and request other entities to enter into either standard Company Non-Disclosure Agreement if any Confidential Information will be disclosed by the Company and no agreement currently exists. If a Company employee is unsure whether a current NDA exists with another entity, he or she should contact the Legal Department.

### **2.4 THIRD PARTY NON-DISCLOSURE AGREEMENTS**

Some Third Parties may request the Company to use the Third Party's standard non-disclosure agreement. Company employees should request the Third Parties use a standard Company Non-Disclosure Agreement (mutual or unilateral) under those circumstances in which Company is disclosing Confidential Information. If Third Parties require the Company to use the Third Parties' Non-Disclosure Agreement, then the Legal Department will need to review the Third Parties' Non-Disclosure Agreement and provide approval prior to execution.

### **2.5 TYPE OF CONFIDENTIAL INFORMATION THAT MAY BE DISCLOSED**

Not all Confidential Information may be disclosed under a Non-Disclosure Agreement. Most Non-Disclosure Agreements have a time limit on the requirements to protect Confidential Information and often such time limits are shorter than the Company's standard policy. Further, even if a Non-Disclosure Agreement is signed, certain kinds of Confidential Information might not be disclosed to Third Parties, including, but not limited to, Sensitive Confidential Information.

If Company employees are unsure whether they may disclose certain Confidential Information, they should check with their supervisor and/or the Legal Department. Employees may not disclose any Non-Company Confidential Information to a Third Party without the Legal Department's prior approval.

### **2.6 EXECUTION OF NON-DISCLOSURE AGREEMENTS**

Any changes to the standard Company Non-Disclosure Agreement or any Third Party Non-Disclosure Agreements must be approved by the Legal Department prior to execution by the Company. Only unmodified standard Company Non-Disclosure Agreements may be executed without the Legal Department review. All Non-Disclosure Agreements must be executed by (a) an officer of the specific Company entity, or (b) someone authorized by a written power of attorney for that Company entity.

### **2.7 RETENTION OF EXECUTED NON-DISCLOSURE AGREEMENTS**

All originals of executed Non-Disclosure Agreements should be sent to the Legal Department and stored on the internal Company network. A scanned copy of an executed Non-Disclosure Agreements should be sent by email to the Legal Department within 3 business days of the execution.

## **3 MARKING CONFIDENTIAL INFORMATION**

The best practice is to mark "CONFIDENTIAL" on all documents or files containing Confidential Information. In some jurisdictions, the Confidential Information must be marked "confidential" for protection under the law. Further, some Non-Disclosure Agreements require "confidential" markings for protection and further require that any Confidential Information disclosed orally be later documented as confidential in a writing submitted to the Recipient.

### **3.1 CONFIDENTIAL DOCUMENTS**

All documents and files containing Confidential Information should be marked with one of the following markings (whether they be in handwriting, in a footer, as a watermark, or located in any other prominent position):

**CONFIDENTIAL**

**CONFIDENTIAL INFORMATION OF \_\_\_\_\_ (Company Entity's Name).**

### **3.2 EMAIL AND FAXES**

Company has standard language regarding confidentiality of email communications that automatically attaches to all Company emails. Employees are free to add this language below to the footer of their

personal emails. Employees must protect all fax communications by marking the transmitted document “confidential” and making sure the following language is included on the fax cover sheet:

**“NOTICE - This communication may contain confidential and privileged information that is for the sole use of the intended recipient. Any viewing, copying or distribution of, or reliance on this message by unintended recipients is strictly prohibited. If you have received this message in error, please notify us immediately and destroy the message provided.”**

### **3.3 SENSITIVE CONFIDENTIAL INFORMATION ORAL DISCLOSURES**

Sensitive Confidential Information should always be marked as set forth in Section 3.1. For any documents that contain written or oral disclosure of Sensitive Confidential Information, the following type of footer or statement on each page is recommended: **THIS DOCUMENT AND ANY ORAL DISCLOSURES MADE IN CONNECTION WITH IT ARE PROTECTED AS CONFIDENTIAL INFORMATION OF \_\_\_\_\_ (COMPANY ENTITY NAME). ALL UNAUTHORIZED USE, DISCLOSURE OR DISTRIBUTION IS PROHIBITED.**

### **3.4 ORAL DISCLOSURES OF CONFIDENTIAL INFORMATION**

If oral disclosures of Confidential Information are made, notify the recipient that the information is Confidential Information prior to or, if necessary, after the disclosure. Follow up as soon as reasonably possible by sending a writing (e.g., email) to the recipient documenting that the subject of the oral disclosure is “confidential” and it should be treated by the recipient as such.

## **4 MAINTAINING CONFIDENTIAL INFORMATION**

Maintaining Confidential Information from inadvertent disclosure is the responsibility of all Company employees. Employees should protect Confidential Information by using passwords pursuant to Paragraph 5.4 of EOH1-PPH-010 - Policy Regarding Company Communications and Using Media. Listed below are some best practices and common pitfalls to assist employees in understanding how they can protect Confidential Information on a daily basis.

### **4.1 BEST PRACTICES**

- **Mark every page** of every document or communication containing Confidential Information with “Confidential” markings as set forth in this Policy.
- Employees should never disclose Confidential Information to any Third Parties without first (i) checking with the employee’s supervisor and (ii) checking with the Legal Department to make sure there is a signed Non-Disclosure Agreement that adequately protects the Company.
- Do not leave any Confidential Information in a space in which Third Parties may access it. (Examples)
  - Do not leave details, schematics and drawings on wipe boards in conference rooms or offices if those spaces are accessed or viewed by Third Parties.
  - Do not leave documents with Confidential Information unattended in conference rooms, printers, kitchens, lobbies or any common areas including on top of desks. Put all such documents in locked spaces.
  - Do not discard Confidential Information documents in the trash. **Shred these documents.**
- Be discreet in conversations related to Confidential Information even if such conversations are occurring on Company property (there may be Third Parties as visitors on site). Use closed door conference rooms to discuss Confidential Information.
- Do not disclose Confidential Information to family or friends (unless they are also employees of Company **and** have a need to know the Confidential Information). This rule protects them as much as it does the employee and the Company.
- Secure work computers and all media used to access Confidential Information. For example, employees should keep their computer in a locked docking station, locked office or locked desk drawer. If traveling

with their computer or mobile device, they should not leave it unattended. Employees should keep it on their person or in a secure space, like a locked car trunk.

- Keep work computers password-protected. Also, employees should password-protect any documents on their hard drive that contain Sensitive Confidential Information.
- Keep mobile devices that receive or store Confidential Information password-protected.
- Store Confidential Information on the Company network and not on a personal computer or other devices.
- Immediately notify the IT department if a Company computer/device containing any Confidential Information is stolen or lost. Immediately notify a supervisor if Confidential Information is stolen or lost.
- At the end of employees' term of employment with the Company, all Confidential Information should be returned to the Company and removed from any computer, mobile device or file storage system owned by the employee.
- Delete, shred, or otherwise destroy Confidential Information when it is clearly no longer needed.

#### **4.2 COMMON PITFALLS TO AVOID**

Employees are encouraged to avoid the following:

- Send a confidential document via email to the wrong recipient without a confidential footer on the email, or without following up and stating the email is confidential and must be destroyed.
- If using non-Company email for Company business due to a lack of access to Company email, an employee must mark the email with the recommended confidentiality disclaimers in this Policy.
- Disclose Confidential Information orally without following up in writing or without using the recommended disclaimers in this Policy.
- Disclose Confidential Information in any tangible form that is not marked "Confidential".
- Disclose Confidential Information in a public place like a trade show without proper protection.
- Trust Third Parties and disclose Confidential Information without having a Non-Disclosure Agreement executed.
- Replicate Confidential Information or store Confidential Information on insecure devices.
- Disclose certain types of Confidential Information or Non-Company Confidential Information without a supervisor's or the Legal Department's approval, as applicable.

#### **5 EMPLOYEE INVENTIONS**

Company employees receive exposure to Confidential Information which helps contribute to the development of new products, equipment, materials, processes, trademarks and writings in the Company business.

##### **5.1 Conveyance of Ownership**

Company employees agree to fully and promptly disclose and assign to the Company, without additional compensation, all ideas, discoveries, inventions, media and improvements, (whether patentable or not) and trademarks, service marks and writings which relate to the business, activities or interests of the Company or which result from or relate to the subject matter of any work which the employee does for the Company ("**Employee Business Inventions**") while employed by the Company. Employee Business Inventions may have been made or conceived of singularly or jointly, during or after usual working hours, or on or off

Company facilities. All ideas, discoveries, inventions, drawings, photos, videos and improvements that relate to the business of Company that are claimed, solely or jointly, within six (6) months after the termination of employment are presumed to have been made while the employee was with the Company, unless the employee can clearly and convincingly prove otherwise. Employee Business Inventions that are copyrightable are deemed a “work made for hire” as defined in the Copyright Laws of the United States.

## **5.2 Employee Assistance to Secure Company’s Rights**


At the discretion of the Company, and at any time during or after employment, Company employees agree to sign all papers and perform any other reasonable actions which the Company deems necessary or desirable to assign, protect and enforce the rights of Company to Employee Business Inventions. This includes the Company applying for, obtaining and enforcing patents, registrations, trademarks, service marks and copyrights thereon in any and all countries of the world.

## **5.3 Delivering Documents & Things upon Termination**

If terminated, an employee will deliver to the Company (without making or retaining any copies thereof) any and all Confidential Information. An employee may only retain certain specific Confidential Information if it is actually identified and agreed to in writing signed by an officer of the Company after the termination of the employee.

## **5.4 Exclusions to Employee Business Inventions**

COMPANY EMPLOYEES, UPON NOTICE OF THIS POLICY, HAVE THIRTY (30) DAYS TO DISCLOSE IN WRITING TO THE COMPANY ALL IDEAS, DISCOVERIES, INVENTIONS, PATENT APPLICATIONS, PATENTS, AND COPYRIGHTS RELATING TO THE BUSINESS OF THE COMPANY WHICH WERE MADE OR OWNED BY THE EMPLOYEE BEFORE HIS/HER EMPLOYMENT WITH THE COMPANY. ANYTHING NOT DISCLOSED IS PRESUMED TO HAVE BEEN MADE WHILE THE EMPLOYEE WAS WITH THE COMPANY, UNLESS THE EMPLOYEE CAN CLEARLY AND CONVINCINGLY PROVE OTHERWISE.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-012	<b>CURRENT REVISION:</b> 3	
<b>EFFECTIVE DATE:</b> 1/12020	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policy and Procedures for Using Vehicles for Company Business		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-012 - POLICY AND PROCEDURES FOR USING VEHICLES FOR COMPANY BUSINESS

Employees for Employee Owned Holdings, Inc. and its affiliates (collectively the “Company”) use and drive vehicles to complete Company business. This Policy and Procedures for Using Vehicles for Company Business is intended to assist employees in maintaining safety and reducing risk of harm as well as to protect the interests of the Company.

### COMPANY BUSINESS DRIVING REQUIREMENTS

Employees who complete any Company business by driving a vehicle must meet the following criteria:

- (1) drivers must have a current, valid driver's license for the state in which the employee is driving (not that the driver's license must be issued from that state);
- (2) legal minimum limits of liability insurance for the driver and vehicle being used; and
- (3) drivers must maintain an “acceptable driving record,” as detailed below.

Any employee whose license is revoked or suspended will immediately notify their supervisor upon revocation or suspension. The employee's supervisor must notify the Legal Department. A revoked or suspended license may result in having an employee who completes a significant amount of driving for Company business to receive (1) an alternative assignment, where the employee will not be required to drive for Company business, or (2) termination of employment.

Any employee driving a Company vehicle or driving on Company business must be familiar with and observe all reasonably enforced safety, traffic, and criminal laws of the state in which they are driving. Seat belts shall be worn by both driver and all passengers during all on- and off-road operations. Any employee driving a Company vehicle or driving on Company business may not text message while driving.

No driver may consume alcohol or illegal drugs while driving a Company vehicle, while on Company business, while in a Company vehicle, or prior to the employee's shift if such consumption would result in a detectable amount of alcohol or illegal drugs being present in the employee's system while on duty. In addition, no driver may consume or use any substance, regardless of legality or prescription status, if by so doing, the driver's ability to safely operate a motor vehicle and carry out other work-related duties would be impaired or diminished. Any employee taking a prescribed drug or medication that warns the user that it "may cause DROWSINESS," and/or "USE CARE when operating a car or dangerous machinery," will notify his/her supervisor that such a drug/medication is being taken.

No driver may pick up or transport non-employees while in a Company vehicle or on Company business, unless there is a work-related need to do so. Any illegal, dangerous, or other conduct while driving that would tend to place the lives or property of others at risk is prohibited.

Anything a driver does in connection with the operation of motor vehicles can affect that driver's fitness for duty or insurability as a driver. Regardless of fault, circumstance, on- or off-duty status, time, or place, any driver who receives a traffic citation from or is arrested by a law enforcement officer, or who is involved in any kind of accident while driving, must inform an appropriate supervisor about the incident immediately or as soon as



possible thereafter. Any penalty, fine, imprisonment, fee, or other adverse action imposed by a court in connection with such an incident must be reported immediately to an appropriate supervisor. In both of the above situations, the matter will be reported to the Company's insurance carrier so that a prompt decision on continued coverage of the employee can be made. The driver involved in an accident or cited by a law enforcement official for violating a motor vehicle law, when reasonably requested by the Company, must turn over any documentation relating to such incident as soon as possible to the employer, and must cooperate fully with the employer in verifying the information with other parties involved and with law enforcement authorities. While parking tickets should not affect a driver's insurability, any parking ticket issued on a vehicle that is being used for Company business should be reported to an appropriate supervisor at the earliest possible opportunity.

Failure to report any of the notifications discussed in the above paragraphs within a timely manner will result in disciplinary action for the employee, up to and including termination.

## **DRIVER RECORDS**

The Human Resources Department will keep information, including a copy or copies of reports issued by the Department of Motor Vehicles and a copy of auto insurance for each employee performing significant amounts of driving for Company business. This information will be obtained as part of the hiring and annual review process.

### **“ACCEPTABLE DRIVING RECORD”**

Employees who complete any Company business by driving a vehicle must maintain an “acceptable driving record.” Therefore, an employee should have:

1. No more than two driving violations in a twelve (12) month period, or
2. No more than three driving violations in a twenty four (24) month period, or
3. No DWI/DUI (Driving While Intoxicated / Driving Under the Influence) convictions within the past twenty-four (24) months.

Not meeting these requirements and/or failure to demonstrate the ability to drive safely will constitute an unsafe driving record. An employee with an unsafe driving record will need to be audited or reviewed by the Company's upper management, as well as the Human Resources Department, Legal Department, and Health Safety Environment Department (collectively the “Review Team”). The Review Team determines whether the employee with an unsafe driving record maintains an “acceptable driving record.” An employee with an unsafe driving record may be required to accept reasonable conditions proposed by the Review Team in order to be considered as maintaining an “acceptable driving record.” Refusal or inability by an employee with an unsafe driving record to accept these proposed conditions by the Review Team will result in having the employee receive (1) an alternative assignment where the employee will not be required to drive for Company business, or (2) termination of employment.

## **USE OF PERSONAL VEHICLES FOR COMPANY BUSINESS**

Employees who utilize their own personal vehicle for Company business use should understand the limitations of the Company's insurance policy in the event of injury or damage resulting from an accident.

The Company's insurance policy provides insurance coverage for the Company in the event of an accident which results in personal injury or property damage while an employee is using a personal vehicle on Company business. This Company insurance policy protects the Company and does NOT protect the driver of the vehicle. Each person driving their personal vehicle must look to the insurance that he or she has covering their vehicle as primary insurance for any such injury or damage. A copy of such insurance coverage should be provided to the Human Resources Department.

Each person who uses their personal vehicle for Company business should have legal minimum limits of liability insurance. Remember that the Company policy does not provide any liability coverage for you. If you are in an accident, the Company does not provide any physical damage coverage for your automobile.

## **DRIVING INCIDENTS/ACCIDENTS**

Employees involved in an automobile incident, accident, or traffic violation should adhere to the policies and procedures provided under the Company's Health, Safety, and Environment Management System Manual or other comparable Company policies.

## **RENTING A VEHICLE FOR COMPANY BUSINESS**


Employees who travel out of town to complete business for the Company may secure a rental vehicle when such use is reasonable. The Company will reimburse for such rental use pursuant to EOH1-PPH-005 - Policy Regarding Business Expenses. If available, a Company American Express corporate credit card should be used for renting vehicles for Company business.

Generally, the Company does not reimburse employees for extra insurance purchased for a rental vehicle in the United States. The Company does, however, require that any employee renting a vehicle for Company business outside of the United States also obtain a sufficient and reasonable amount of insurance for such rental, with these insurance costs being reimbursed to the employee pursuant to EOH1-PPH-005 - Policy Regarding Business Expenses.

## **DRONES**

Small Unmanned Aircraft Systems, also known as Drones, are sometimes being used to improve business. However, the laws relating to Drones are still being developed, so employees should first contact the Company's legal department prior to any commercial use of Drones by or for the Company.



<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-013	<b>CURRENT REVISION:</b>  7	
<b>EFFECTIVE DATE:</b>  11/2025	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Continuing Education and Incentive Program		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-013 – CONTINUING EDUCATION AND INCENTIVE PROGRAM

### Objective

To develop a Continuing Education and Incentive Program (the “Program”) that supports the commitment to excellence of Employee Owned Holdings, Inc. and its affiliates (the “Company”) by providing financial assistance to the Company’s employee owners’ education and development. Professional development can be obtained through attendance at seminars, educational courses and degree programs that, once acquired, will assist the Company employee in performing his or her essential job functions, increase their competence in their present jobs, and prepare for future advancements within the Company.

To be eligible for the Program the following criteria must be met:

- Each semester/class/seminar must be approved in advance by appropriate Company leadership;
- Coursework must be specific to the individual’s career direction within the Company;
- Employee must complete course work with a “B” grade or above to be eligible for up to 100% reimbursement, or if less than “B” grade or greater to or equal to a “C” grade, to be eligible for up to 75% reimbursement, with no reimbursement provided if less than a “C” grade is achieved;
- A Pass/Fail Course must be completed successfully;
- A maximum of \$5,000 expended in a calendar year may be reimbursed under this Program, except with the specific written approval from the President of Employee Owned Holdings, Inc. for imperative Company business reasons. Reimbursements may not be further broken apart to avoid this \$5,000 yearly maximum.

### Continuing Education Categories

#### Technical Certifications & General Studies

Technical Certifications and General Course studies (pre-approved by management) will be reimbursed 100% if passed successfully.

Outside of a specific agreement with the Company, individuals while employed by the Company and with the prior approval of one’s immediate supervisor, may attain certain certifications, where such a certification would bring a material enhancement to one’s position in the Company, and be rewarded with a onetime financial reward. Additional certifications, if approved, may be rewarded with an additional financial reward solely determined at the discretion of Company leadership. ***Certifications available for consideration differ by Company departments and positions, and all must be approved only with the prior written approval of the President of Employee Owned Holdings, Inc.*** Certifications currently approved for a possible financial reward include those listed below:

- *Certified Fluid Power Specialist*

- *IFPS Connector & Conductor Certificate*
- *Professional Engineer*
- *Certified Fluid Power Technician*
- *Certified Fluid Power Mechanic*
- *Fluid Power System Designer*
- *Electronic Controls Specialist*
- *Fluid Power Support Associate*

#### Non-Advanced Degree Program

While employed by the Company and with the prior approval of President of Employee Owned Holdings, Inc., a Non-Advanced Degree Program (e.g. Bachelor's Degree) may be reimbursed at the end of each completed semester for the cost of tuition, books and other appropriate course related fees at a rate of 75% of the eligible coverage, provided one meets the criteria and presents the qualifying documents. The remaining 25% will be paid only to Company employees on the 2nd anniversary of the attainment of the Non-Advanced Degree, provided one meets the criteria and presents the qualifying documents.

#### Advanced Degree Program

While employed by the Company and with the prior approval of President of Employee Owned Holdings, Inc., an Advanced Degree Program (e.g. Master's, Doctorate, J.D. Degrees) may be reimbursed for the cost of tuition, books and other appropriate course related fees at the end of each completed semester at a rate of 75% of the eligible coverage, provided one meets the criteria and presents the qualifying documents. The remaining 25% will be paid only to Company employees on the 4th anniversary of the attainment of the Advanced Degree and the submission of the proper documents.

#### **Applying for Reimbursement**

After an employee has completed each semester, he or she must re-submit the pre-approved Tuition Reimbursement Request to the Human Resources Department within 60 days of the semester's completion. The following information must be attached to the Tuition Reimbursement Request:

1. Evidence of the grade earned: Official grade report or transcript (internet printouts are not acceptable).
2. A verified statement by the employee regarding the costs or adequate receipts.
3. For reimbursement after 2 or 4 years pursuant to the above, it is the responsibility of the employee to again provide the evidence noted above to the Company within 60 days of the anniversary in order to be reimbursed.

#### **Termination of Employment**

##### Voluntary Termination


If an employee resigns from employment before the semester is completed, eligibility ends immediately.

##### Involuntary Termination

If an employee is terminated by the Company for any reason except poor business conditions, eligibility for reimbursement ends immediately, whether the semester is completed or not. If a participant is laid off or terminated due to a slow economy, job elimination, or other business conditions over which the employee has no actual control, the employee maintains eligibility for reimbursement at the completion of the semester, as long as the semester began prior to the layoff or termination. Tuition Reimbursement will be done on a semester by semester basis; in the event of an economic downturn or the Company commits to an Austerity Program, the educational reimbursement program may be suspended for future semesters. Please note that the IRS limits an

employer's academic contribution to its employees. Reimbursements exceeding the IRS limit will be considered taxable income to the employee. For more information please visit:

<http://www.irs.gov/publications/p970/ch11.html>.

<b>DOCUMENT CONTROL NO#</b> EOHI – PPH-014	<b>CURRENT REVISION:</b>  5	
<b>EFFECTIVE DATE:</b>  1/1/2021	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policy for Retaining Company Records		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-014 – POLICY FOR RETAINING COMPANY RECORDS

This Policy for Retaining Company Records (“Policy”) by Employee Owned Holdings, Inc. and/or its affiliates (the “Company”) is to establish the Company’s document retention program.

### I. PURPOSE AND SCOPE

The purpose of this Policy is to have the Company comply with the following points:

- All Records that may substantially affect the obligations of the Company must, at a minimum, be kept for a period of time that reasonably assures availability of those Records for business purposes.
- All Records subject to retention must be retained for the period stated in the attached Record Retention Schedule.
- This Policy applies to electronic Records, i.e., e-mails, databases, video and audio recordings, etc., as well as to physical Records.
- All Non-Records (including Records no longer subject to retention) may be destroyed pursuant to the discretion of the keeper of such Non-Records.
- Any uncertainty as to whether a Record or other materials would be subject to retention should be resolved in favor of retention. Employees should consult with the Supervisor or the Company’s General Counsel if in doubt.
- All Records reasonably likely to be required to be produced in litigation must be retained. Any document destruction process is subject to a “litigation hold” mechanism that ensures the process can be immediately suspended or stopped at the direction of the Legal Department to prevent the destruction of relevant Records following service of legal process or reasonable likelihood of possible litigation.
- Vital Records must be identified and safeguarded against destruction.
- Records sufficient to document the Company’s compliance with all relevant laws, regulations, and industry standards must be maintained as directed by the Company.
- The retention periods apply to all Records, regardless of location, including all Company locations, off-site locations and storage as well as employees’ laptops, handheld devices and flash drives.

This policy shall be read in conjunction with all other Company policies and procedures and pursuant to further ISO 9001 certification directives for Company entities. Questions regarding the content or interpretation of this policy should be directed to the Records Manager for such facility or the Company’s General Counsel. Any employee who violates this Policy may be subject to discipline, up to and including discharge.

### II. AUTHORITY AND RESPONSIBILITY

The Company’s General Counsel may set procedures for the retention and destruction of Records and Non-Records of the Company, whether physical or electronic. Procedures specific to the retention and destruction of

electronic documents will be set by the Company's General Counsel in coordination with the Information Technology Department. Supervisors are responsible for ensuring that their respective departments and groups implement and remain compliant at all times with the requirements of this Policy.

The head of each Company location shall be considered or otherwise designate another as the "Records Manager" for that office to ensure compliance with this Policy.

### III. OVERALL POLICY

The Company's overall policy with respect to document retention is to allow the destruction of all documents except those that the Company is specifically required to retain. Documents required to be retained are listed on the attached schedule. Official retention periods may be as short as legally possible in order to simplify document management and reduce costs consistent with legal, financial, and business requirements. Any uncertainty as to whether a document should be preserved should, as a general rule, be resolved in favor of retaining the document until its status can be clarified internally.

Certain Company offices may comply with further specified management policies discussing records retention. Any inconsistencies between time periods in this Policy and such specified management policies should be resolved in favor of the lengthier time period.

### IV. DEFINITIONS

**Non-Records:** "Non-Records" are any documents, physical or electronic, that do not meet this policy statement's definition of a "Record" or with respect to which there is no business, financial, legal, regulatory, or policy reason that they be retained for any particular period of time. A Non-Record should be kept only for as long as it enables an employee to do his or her job. It may then be destroyed. *Note that "Non-Records" include "Records" that are no longer subject to retention (and are therefore subject to destruction) because the applicable Retention Period has expired.*

Non-Records include the following:

- Private materials created or received other than in connection with the transaction of official the Company business, such as, but not limited to, personal correspondence.
- Stocks of printed or reproduced documents kept for supply purposes where file copies have been retained for record-keeping purposes.
- Extra, non-original copies of Records that have been kept solely for convenience or reference, or for some short-term purposes, and that by themselves have no further informational value. Of course, if a copy of a Record is the only capture of it, the copy should be retained for as long as an original of the Record would have to be retained.
- Preliminary or non-final drafts of letters and other correspondence, internal memoranda, reports, presentations, press releases, notes, legal documents (including contracts), spreadsheets, work sheets, and other documents that (a) do not require any action or follow-up, (b) lack any ongoing informational value, or (c) have no reasonably foreseeable relevance to the enforcement or defense of the Company's rights with respect to its business, financial, or legal interests.
- Materials that (a) are not needed to document operations, processes, or decisions material to the Company, (b) are not otherwise needed for their ongoing informational value, (c) do not require any action or follow-up, or (d) otherwise have no ongoing informational value.

**Records:** "Records" are any informational material, physical or electronic, (i.e., writing on paper, e-mail, databases and database elements, spreadsheets, videotaped footage, audiotaped material, information stored on computer hard drives, servers, or compact discs, etc.) generated or received by the Company in connection with the conduct of business. *Note: Documentary material containing personal information in addition to information related to the conduct of the Company business, for example, an appointment calendar containing records of both personal and professional engagements, is considered to be a Record; the fact that personal*

*information is contained in a document along with other information does not mean that the document is not a Record.* Specific subcategories of Records include the following:

Vital Records: Vital Records are Records that:

- Are essential to maintaining the Company's continuity of operations;
- Are essential to the maintenance the Company's legal and financial status;
- Are necessary for fulfilling obligations to shareholders, employees, customers, regulators, or other outside interests;
- Document the Company's ownership of assets and without which it would otherwise be difficult or impossible to establish such ownership; and/or
- Contain proprietary or confidential business information such as secret processes, formulas, know-how, or innovations that are not publicly available.

*Note: If a Record or other document may appear to be a Vital Record, even if it does not appear to be addressed in the Records Retention Schedule, please consult a Supervisor or the General Counsel for guidance.*

Financial Records: Financial Records are Records that must be kept for accounting, tax, or other financial purposes.

Legal Records: Legal Records are Records, other than Financial Records, that may be kept in accordance with a specific federal, state, or local law or regulation; are related to important property rights (including intellectual property rights) that the Company is obligated to protect; or that are related to an identified, pending, or anticipated legal claim or regulatory action.

Management/Operations Records: Management Records relate to general business, personnel, managerial, operational, real property or technical matters or processes of significance to the Company.

## **V. RETENTION AND STORAGE OF RECORDS**

Records Retention Schedule. Each Company department and group, under the guidance of its Supervisor or Management, should follow the Record Retention Schedule below.

## **VI. DESTRUCTION OF RECORDS**

Destruction of Records may only take place pursuant to this policy and in accordance with the Record Retention Schedule. When a physical Record is to be destroyed, the Records Manager or his or her designee must dispose of it in specially provided receptacles maintained on-site by the Company's approved vendor. With the exception of e-mail as set forth below, Records stored electronically must only be disposed of in coordination with the Information Technology Department.

Records stored off-site may be destroyed in coordination with the storage vendor. The following general rules apply to specific subcategories of Records:

- Vital Records. Vital Records are ineligible for destruction.
- Legal Records. Legal Records are retained for the period of time specified in the Record Retention Schedule unless or otherwise stated in an applicable law or regulation. *Note: Records or other documents that an employee may, absent other guidance, consider to be of mere potential use in the event of possible, but as yet unidentified or unanticipated, litigation should not automatically be considered Legal Records; if in doubt, the Company's General Counsel should be consulted.*
- Financial Records. Financial Records must not be destroyed absent the knowledge and express approval of the Accounting Department.

- Management/Operations Records. Management/Operations Records pertaining to personnel matters should be treated with particular sensitivity and always upon coordination with the Company's HR Director and Director of Operations. Management/Operational Records encompass a wide variety of record types, like all other Records, they should not be retained merely because someone might someday ask for them.

- Non-Records. Non-Records may be routinely destroyed once they are no longer needed for an individual's fulfillment of his or her job duties. Non-Records do not need to be retained for future "defensive" purposes or merely because an employee believes that higher management might someday request them.

## VII. ELECTRONIC RECORDS AND E-MAIL

As a general rule, **electronic records** (i.e., databases, video and audio recordings, and e-mails) should be treated just like any other Records. E-mails, for example, are not exempt from destruction or retention, merely because they are electronic as opposed to some other type of Record. Additional details specific to the management, retention, storage, and destruction of electronic Records, especially e-mails, may be issued by the Company's General Counsel in coordination with the IT Department.

Any Record that must be retained pursuant to this Policy shall be maintained in hard copy unless it may be maintained on Company-approved computer hardware with Company-approved electronic document software such as the following:

Adobe Acrobat/Reader  
AutoCADInternet Explorer/Web Server  
MAS  
Microsoft Access  
Microsoft Excel  
Microsoft PowerPoint  
Microsoft Project  
Microsoft Word  
Solidworks  
Image files (JPG, GIF, TIF, PNG, BMP, etc.)

All electronic mail communications including attachments that do not need to be retained pursuant to this policy may be deleted.

E-mail and attachments should be moved into electronic folders with appropriate names. E-mail and attachments more than 90 days old and not relating to Company business otherwise may be deleted. Each employee is responsible to delete messages when consistent with this Policy. IT personnel may automatically delete e-mail and attachments not moved to appropriate folders which are more than one year old.

Individual electronic folders (including email messages and attachments relocated to such places) should be reviewed by employees periodically to determine whether continued retention is warranted.

Electronic documents (e.g. Word files, Excel files, PDF files) outside of the e-mail system are also subject to this Policy. If they are required to be retained, they should be organized into files with appropriate names and saved on the Company's network. These files should be reviewed periodically to determine if continued retention is warranted.

Electronic records which may be destroyed under this Policy should simply be deleted using the standard "Delete" option if stored locally on a laptop or desktop computer. If subject to retention under this Policy, electronic records should be saved to a network folder designated for that purpose.

E-mails that are older than 365 days and kept in the sender's/recipient's local Outlook folder should instead be saved to a network folder designated for that purpose or, if not subject to retention, may be deleted using the "Delete" option available under the "Edit" pull-down menu within Outlook. *As a general rule, an employee sending an e-mail has the primary responsibility to manage it for Company document retention purposes.*

As indicated, e-mails subject to retention under this Policy should be saved to an archive or network folder designated for that purpose.



## **VIII. SUSPENSION IN CASE OF LITIGATION, GOVERNMENTAL INVESTIGATION OR AUDIT**

Notwithstanding any other provision of this Policy:

a. Upon a Records Manager's receipt of notice of pending or imminent litigation, governmental investigation, or audit (not in the ordinary course of Company's scheduled financial reporting) involving the Company, or the Record Manager believes that potential litigation is reasonably likely to occur, the Records Manager:

1. shall suspend the discarding of Records; and
2. shall halt deletion and discarding of Records by Company employees.

b. Any Company employee who receives information regarding potential litigation, governmental investigation, or audit (not in the ordinary course of Company's scheduled financial reporting), involving Company shall notify the Records Manager and the Legal Department immediately.

c. After the Records Manager has suspended the discarding of Records under this Section VIII, the Records Administrator shall not reinitiate the discarding of Records until the Company has (i) consulted with legal counsel, (ii) identified any Records scheduled for discarding that should be retained in light of such actual or possible litigation, investigation or audit, and (iii) determined that such discarding may proceed lawfully and properly.

<b>DOCUMENT CONTROL NO#</b> EOHI – PPH-014A	<b>CURRENT REVISION:</b>  1	
<b>EFFECTIVE DATE:</b>  3/1/2013	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Company Record Retention Schedule		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-014A – COMPANY RECORD RETENTION SCHEDULE

### RECORD

### RETENTION PERIOD

### AUTHORITY

#### I. ACCOUNTING/FINANCE

Accounts Payable (includes invoices, expense accounts, travel and meal expenses)	Tax return filing date + 6 years	26 CFR 301.6501(f)-1
Accounts Receivable	Tax return filing date + 6 years	26 CFR 301.6501(f)-1
Equipment Inventory	Until superseded + 6 years	26 CFR 301.6501(f)-1
Ledgers - General	Tax return filing date + 6 years	26 CFR 301.6501(f)-1
Annual Financial Statements (includes balance statements, income statements, statements of cash flow, etc.)	Indefinite	Business Reasons
Interim Financial Statements (includes balance statements, income statements, statements of cash flow, etc.)	Indefinite	Business Reasons
Bank Records (statements, deposit slips, cancelled checks, check listings, wire transfers, electronic payment records, petty cash, etc.)	Tax return filing date + 6 years	26 CFR 301.6501(f)-1
Loan/Financing Documentation	Active + 10 years	Business Reasons
External Audit Reports	Indefinite	Business Reasons

#### II. TAX

Tax Returns (Federal and State)	Indefinite	Business Reasons
Tax Return Documentation (includes work papers, schedules, IRS forms, correspondence, IRS audit reports, internal audit work papers, depreciation schedules, etc.)	Indefinite	Business Reasons 26 CFR 301.6501(f)-1
Employee-Related Tax Records (includes income tax withholding, social security taxes, unemployment compensation, advances date earned income credit payments, etc.)	Indefinite	26 CFR 31.6001-1(e)
State and Local Business Taxes (sales & use taxes, excise tax, etc.)	Indefinite	TX Tax Code Sec. 111.0041 (4 yrs)

### RECORD

**RETENTION PERIOD****AUTHORITY****III. CORPORATE**

Records of Incorporation/Formation	Indefinite	Business Reasons
Bylaws and Amendments	Indefinite	Business Reasons
Board of Directors & Committee Meeting Minutes/Resolutions	Indefinite	Business Reasons
Shareholder Meeting Minutes	Indefinite	Business Reasons
Shareholder Records (includes stock transfers, dividends, proxies for election of directors)	Indefinite	Business Reasons
Shareholder Reports and Proxies (includes all proxy materials other than those related solely to the election of directors, annual reports, quarterly reports, etc.)	Indefinite	Business Reasons
Operational Records (includes licenses [Federal, State and local], qualifications to do business, annual reports filed with State(s), etc.)	Active + 7 years	Business Reasons
Corporate Policies	Active + 7 years	Business Reasons
M&A Documents (includes records relating to mergers, acquisitions, divestitures, etc.)	Active + 10 years	Business Reasons
Insurance Policies and Loss Records	Indefinite	Business Reasons
Insurance Claims and Settlements	Active +7 years	Business Reasons

**IV. LEGAL**

Litigation Files	Active + 7 years	Business Reasons/Statutes of Limitation
Claims (litigation not filed)	7 years after last correspondence or contact with claimant	Business Reasons/Statutes of Limitation
Agreements & Contracts - General (includes supporting documentation)	Active + 7 years	Business Reasons/Statutes of Limitation
Intellectual Property (includes copyright, trademark and patent applications and registrations, related correspondence, and license agreements)	Life of the intellectual property + 7 years	Business Reasons
Legal Opinions	Active + 10 years	Business Reasons
Insurance Policies (includes general commercial, professional E&O, D&O, property damage, workers' compensation, business interruption, etc.)	Indefinite	Business Reasons

**RECORD****RETENTION PERIOD****AUTHORITY****V. PERSONNEL**


Job Announcements and Job Orders Submitted to Employment Agencies	Current year + 1 year	29 CFR 1627.3
Applications - Hires	Employee termination + 3 years	29 CFR 1627.3
Applications - Rejected	Current year + 1 year	29 CFR 1627.3; 29 CFR 1602.14
Attendance Records	Current year + 2 years	29 CFR 516.6
Employee Evaluations	Current year + 3 years	29 CFR 516.5
INS Form I-9	Three years after date of hire or one year after date of termination, whichever is later	8 USC 1324a
Personnel or Employment Records (includes application forms, resumes, other hiring records, records regarding promotion, demotion, transfer, layoff, discharge, pay rates or other compensation terms, requests for reasonable accommodation, results from employment test, etc.)	One year from date records made or personnel action taken, whichever is later	29 CFR 1602.14; 29 CFR 1627.3
Active Personnel Files	Employee termination + 3 years	29 CFR 1627.3
Wage Differential Documentation (includes records that describe or explain the basis for any wage differential, i.e., wage rates, job evaluations, job descriptions, merit systems, seniority systems, collective bargaining agreements, etc.)	Two years	29 CFR 1620.32
Payroll Information (includes age, address, date of birth, occupation, rate of pay, and compensation earned each week)	Three years	29 CFR 1627.3
Payroll Records	Three years from the last date of entry	29 CFR 516.5
FMLA Documentation	Three years after leave ends	29 CFR 825.500(b)
Employee Medical Records (i.e., records related to employee's health condition and medical treatment, employment immunizations, etc.)	Duration of employment + 30 years	29 CFR 1910.1020; 29 CFR 825.500; 29 CFR 1630.14(c)(1)
Employee Manuals	Active + 10 years	Business Reasons
Employee Injury and Illness Records (includes OSHA logs of work-related injuries and illnesses and other logs, summaries and reports describing recordable cases of injury and illness)	Five years following end of year to which records relate	29 CFR 1904.33; 29 CFR 825.500; 29 CFR 1630.14(c)(1)
Employee Hazardous Exposure Records	Active + 30 years	29 CFR 1910.1020; 29 CFR 825.500; 29 CFR 1630.14(c)(1)
Material Data Safety Sheets	Active + 30 years	29 CFR 1020
Workers' Compensation Records	Active + 5 years	29 CFR 1904.33
Equal Employment Opportunity Forms	Current year + 6 years	29 CFR 1602.7; 29 CFR 1602.14; 29 CFR 1627.3

**RECORD****RETENTION PERIOD****AUTHORITY**

Employment and Contractor Agreements (includes non-competes, non-disclosures, agreements for temporary labor, independent contractors and consultants, etc.)	Active + 10 years	Business Reasons/Statutes of Limitation
HR-Related Agreements (includes agreements and contracts with third parties to provide human resource/employment-related services, i.e., recruiting/headhunter agreements, payroll companies, employee leasing, etc.)	Active + 10 years	Business Reasons/Statutes of Limitation
Department of Transportation Drug and Alcohol Testing Records (includes positive test results, refusals to test, equipment calibration, administration of testing programs, annual summaries, etc.)	Five years	49 CFR 382.401
Employee Benefit Plans (includes benefit, retirement, ERISA and pensions plans, and records relating to the administration thereof)	Active + 6 years	29 CFR 1627.3; 29 USC 1027; 29 USC 1113; 29 USC 1451; 29 USC 1059
Agreements Relating to Employee Benefits Plans (includes contracts with plan administrators, fiduciaries, investment advisors, service providers, etc.)	Active + 10 years	29 USC 1027; 29 USC 1113; 29 USC 1451; 29 USC 1059

**VI. FACILITIES MANAGEMENT**

Agreements Relating to Facility Management (property management agreements, repair/maintenance agreements, janitorial contracts, landscaping contracts, etc.)	Active + 5 years	Business Reasons/Statutes of Limitation
Furniture, Fixtures and Equipment - Other than Agreements (includes asset lists, inventory lists, replacement schedules, maintenance and repairs, IT infrastructure, fixed asset purchases, etc.)	Current year + 5 years	Business Reasons/Statutes of Limitation
Agreements Relating to Furniture, Fixtures and Equipment (includes purchase documents, leases, repair and maintenance contracts, warranty contracts, computer hardware and software licenses, etc.)	Active + 5 years	Business Reasons/Statutes of Limitation
Information Technology (includes software licenses, equipment purchase agreements, support maintenance and warranty agreements, software inventories and audits, equipment inventories, etc.)	Active + 5 years	Business Reasons/Statutes of Limitation
Real Property Records (contracts for purchase/sale/lease, deeds, easements, improvements, appraisals, etc.)	Active + 10 years	Business Reasons
Property Tax Records (includes records relating to real estate and personal property taxes paid)	Active + 7 years	Business Reasons
Building Permits/Certificates of Occupancy	Active + 7 years	Business Reasons
Hazardous/Environmental Contamination Removal	Active + 30 years	29 CFR 1910.1020
Hazardous/Environmental – Other	Current year + 5 years	Business Reasons

<b>DOCUMENT CONTROL NO#</b> EOHI – PPH-015	<b>CURRENT REVISION:</b>  1	
<b>EFFECTIVE DATE:</b>  3/15/2013	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policy Regarding Distribution of Competing Suppliers		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-015 – POLICY REGARDING DISTRIBUTION OF COMPETING SUPPLIERS

This Policy Regarding Distribution of Competing Suppliers for Employee Owned Holdings, Inc. and/or its affiliates (the “Company”) is in conjunction with other Company policies, including the Company’s Code of Ethics and Business Conduct and EOHI-PPH-011 - Policy for Protection of Confidential Information and Trade Secrets, in order to clarify the objectives of the Company in being authorized to provide products of competing suppliers but which may be limited to a specific Area of Primary Responsibility (“APR”).

### I. PURPOSE AND SCOPE

The purpose of this Policy is to have the Company comply with the following points:

- Never share business philosophies or strategies pertaining to a supplier to the sales, engineering, purchasing or service personnel that represent a competing brand;
- Never share or reveal pricing or discounts that pertain to a supplier to the sales, engineering, purchasing or service personnel that represent a competing brand;
- In general, never share any data or information that pertains to a supplier to the sales, engineering, purchasing or service personnel that represent a competing brand; and
- Never promote or sell products of a supplier to any area outside of the Company’s designated APR without prior approval.

Any employee who violates this Policy may be subject to discipline, up to and including discharge.

### II. AUTHORITY AND RESPONSIBILITY

The management of the Sales Department has the responsibility to confirm that employees are trained to know where specific products of the Company may be provided. The Legal Department will assist the management of the Sales Department if they have a question about contractual limits applying to a specific product.

### III. OVERALL POLICY


Of foremost importance, the Company complies with all antitrust and competition laws that apply to its activities. If there is a question that a request, a command, or other action performed by a supplier or a person’s supervisor might be in violation of the law, a Company employee should report this immediately to the HR Department, the Legal Department, or the Company’s Corporate Responsibility Committee.

The Company may be a party to a confidentiality agreement of non-disclosure agreement which may allow the Company to receive confidential information from a supplier with such information being protected by the agreement. Company employees are to protect such information pursuant to EOHI-PPH-011 - Policy for Protection of Confidential Information and Trade Secrets. Company employees are especially cautioned to guard against and prevent the disclosure of a supplier’s confidential information to a possible or actual competitor of

such supplier. Disclosure of a supplier's confidential information to a competitor erodes the confidence of the supplier and the competitor, as well as subjecting a disclosing employee to liability for damages. If employees are requested to disclose such information, they should consider this request a test by the competitor whether one can be trusted to keep such information confidential.

In addition to the above, the Company may enter into contracts and agreements with some of its suppliers which require the Company to limit or otherwise prevent itself from providing certain products of a competing supplier for the same APR. The Company will maintain its reputation as a dependable customer by being equitable and reliable in its dealings with its suppliers and treat all of its suppliers fairly and honestly at all times and in a manner conforming to all applicable laws. Only promote or provide those products that the Company is authorized to provide for such location. If there is a question about whether a product is authorized for the location, contact and confirm such with a supervisor.



DOCUMENT CONTROL NO# EOHI – PPH-016	CURRENT REVISION:  6	
EFFECTIVE DATE:  1/1/2024	NEXT REVIEW DATE:	
TITLE OF DOCUMENT : Company Employee Suggestion Program		
ORGANIZATION: EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-016 – COMPANY EMPLOYEE SUGGESTION PROGRAM

### Purpose:

The Employee Owned Holdings, Inc. (“EOHI”) Employee Suggestion Program (“ESP”) is designed to encourage all employees and owners of EOHI and its subsidiaries (the “Company”) to make suggestions to improve overall efficiency, customer service, working environment and other results leading to a direct or indirect positive impact on the Company. The ESP is designed to reward employees whose suggestions are approved and implemented by the Company. **The reporting of safety concerns are not a part of this incentive program, as it is the responsibility for all employees and owners to report safety concerns immediately to their supervisor or as permissible under Company policy.**

### Eligibility:

This program applies to all full and part-time employees of Employee Owned Holdings, Inc. and its subsidiaries.


### Program Procedures & Guidelines:

1. EOHI will provide and maintain a process for employees to submit suggestions to improve the Company.
2. The Company Human Resource Manager will maintain responsibility for assuring that all employees are able to provide suggestions to the Company.
3. All employees are encouraged to submit suggestions for improvement. The suggestions are not limited to an employee’s primary area of responsibility or department.
  - a. All eligible suggestions must be submitted by the method promoted by the Company, like an online survey or link available through a Company website or portal.
  - b. Eligible suggestion forms should be filled out completely.
  - c. To be eligible for a reward, a suggestion must include the name of the employee submitting the form.
    - i. **Note: Names on the suggestion form are optional. However, if an employee wishes to remain anonymous, he or she is forfeiting any applicable reward.**
  - d. All suggestion forms will be kept confidential until it is determined that a suggestion will be implemented with it being the responsibility of the employee to note whether to remain anonymous indefinitely.
4. EOHI will create and sustain an ESP Committee to review suggestions. The ESP Committee will consist of the following Company personnel:
  - Presently Serving Employee Elected Board of Director for EOHI;
  - Human Resource Manager, EOHI;

- Chief Executive Officer, EOHl;
  - President, EOHl;
  - Vice-President, EOHl;
  - All Presidents of EOHl subsidiaries having employees;
  - Chief Financial Officer, EOHl;
  - Operations Manager, EOHl;
  - Marketing Director, EOHl;
  - IT Director, EOHl; and
  - General Counsel, EOHl.
5. The ESP Committee will review and discuss suggestions at least once per quarter. It is not mandatory that a suggestion must be selected during each quarter.
  6. If a suggestion is selected, the employee submitting the suggestion may be contacted to provide further details regarding the suggestion or implementation.
  7. Upon implementation, the employee who first submitted the suggestion will be entitled to a reward.

**Reward:**

Participants whose suggestions are chosen to be implemented are eligible for a \$150.00 cash reward from EOHl.

<b>DOCUMENT CONTROL NO#</b> EOHI-PPH-017	<b>CURRENT REVISION:</b>  4	
<b>EFFECTIVE DATE:</b>  1/1/2025	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Policy Regarding Travel		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-017 – POLICY REGARDING TRAVEL

This Policy Regarding Travel (“Policy”) is intended to detail the procedures and requirements when employees of Employee Owned Holdings, Inc. and/or its affiliates (the “Company”) travel long distances for completing Company business. This Policy is in addition to the requirements and guidelines in other Company policies, including the Company’s Business Continuity Plan, EOHI-PPH-005 – Policy Regarding Business Expenses, EOHI-PPH-010A - Policy Regarding Mobile Devices, and EOHI-PPH-012 - Policy and Procedures for Using Vehicles for Company Business.

### I. PURPOSE AND SCOPE

The purpose of this Policy is to provide assistance and guidance when Company employees travel to complete Company business.

### II. APPLICATION

This policy applies to all Company employees who travel for Company business; however, the information provided by the Company may also be useful for personal travel purposes.

### III. OVERALL POLICY

Employees should generally act conservatively and reasonably when travelling to complete Company business. Employees are prompted to consider redundancies in order to effectively avoid possible disruptions encountered when engaging in long distance travel, whether domestic or international. Employees are encouraged to ask questions, research, and prepare for completing any unfamiliar travel.

No more than three (3) officers in the company may travel on the same aircraft. Employees should coordinate with others known to share a similar itinerary and work together to keep one another safe and prepared.

Questions regarding this Policy should be directed to one’s supervisor or the Company’s legal department.

### IV. INTERNATIONAL TRAVEL

Before any Company employee travels outside of their country of origin to complete business for the Company (an “International Traveling Employee”), the International Traveling Employee must first demonstrate that he or she is adequately prepared for such travel. A possible International Traveling Employee shall provide the Company’s HR Department with the details of any international travel being considered. The Company’s HR Department and/or the HSE Manager shall provide each International Traveling Employee with materials related to such travel and the locations and confirm that these materials are reviewed and understood by the International Traveling Employee before he or she may depart the country. An International Traveling Employee will be required to complete any further actions requested by the Company, including documenting his or her itinerary into a Company-approved database or website for tracking purposes. Any International Traveling Employee should request and be provided the Company’s Cyber Security International Travel Procedure, to which he or she should then adhere.

Any person who engages in a violation of this policy is subject to disciplinary action, up to and including immediate discharge. Moreover, an International Traveling Employee may be unable to be reimbursed for the

costs of travel as no supervisor may approve international travel expenses without having the International Traveling Employee's compliance to this Policy.

## **V. GENERAL GUIDELINES**


Here are some tips employees should consider when travelling domestically or internationally:

- Maintain travel as anonymously as possible. Travel in casual dress. Refrain from wearing expensive jewelry and watches or carrying expensive luggage. Try not to look "valuable" when it is not pertinent.
- Do not permit yourself to be sought in the airport using your name.
- Do not let those meeting you use a card bearing the company name or logo.
- You should choose who is to carry your luggage and which taxi to use; do not let others choose for you.
- Take the second taxi in line.
- Try to choose a hotel room located between the third and the sixth floor.
- Secure your hotel room door using all available locks.
- If there is an unannounced caller at the hotel door, verify with the hotel that they have sent a hotel employee before answering the door.
- Always find the nearest exit in case of fire or other emergency.
- Always use hotel safes to secure valuables (laptops, jewelry, watches, tickets, and passports).
- Do not carry more cash or credit cards than should be necessary.
- Do not use social media to announce your travel itinerary.
- Do not respond to loudspeaker calls in the lobby or dining room of the hotel unless you are expecting a call or a caller.
- Valuables and negotiable documents (traveler's checks) should be kept on the person or in tote bags but never in checked luggage.
- Be cautious of your surroundings. Maintain critical IP and confidential information on a zip drive only to be used on non-networked computers or equipment, as some wireless networks and locations might attempt to decode, pirate or upload data and information from available electronic devices. Be mindful of the potential for possible data breach attempts when travelling internationally (See Company's Cyber Security International Travel Procedure for more details).
- Try to avoid changes which prevent the Company from safely tracking your whereabouts as you travel. When changes to your itinerary occur, communicate these to your supervisor, the HSE Manager, the Company's HR Department and any other applicable persons as soon as possible.
- Inform only family and the relevant Company employees of the details of your travel.

When traveling internationally:

- Remove Company tags, logos, etc., from luggage and, in some cases, from your clothes.
- Do not use the Company name when making reservations, and delete references to the Company in tickets and itineraries.
- Use only your name, and not the Company's name, when registering in a hotel.
- Ensure proper medical evaluations and vaccinations are complete.
- Recognize that your electrical equipment may need certain adapters to work in the available outlets.
- Once you check into the hotel, lock your passport in your room safe and carry the passport copy with you.
- Always carry a copy of your passport (and visa, if required) in your luggage and leave a copy at home.
- In politically unstable countries, register your name and passport number with your Embassy. Passports should be kept secure at all times.
- Avoid patterns like leaving the hotel at the same time or following the same route every day.
- Be cautious of distractions (e.g. someone falling over, a loud argument near you, etc.)

Further protocols for protection may be necessary and should be discussed with the HSE Manager and your supervisor. Please confirm the necessary protocols.

DOCUMENT CONTROL NO# EOHI-PPH-018	CURRENT REVISION:  1	
EFFECTIVE DATE:  1/1/2020	NEXT REVIEW DATE:	
TITLE OF DOCUMENT : Visitor and Guest Policy		
ORGANIZATION: EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-018 – VISITOR AND GUEST POLICY

### PURPOSE:


To identify visitors and guests who enter any Company property.

### SCOPE:

To maintain consistency with the Company's Emergency Action Procedures and to ensure the safety of our visitors and guests, each visitor and guest must be met at the main lobby or designated sign in area and escorted inside the facility by an authorized employee.

### POLICY:

- Upon arrival all visitors and guests will sign in as applicable at the receptionist desk or designated sign in area. Certain approved vendors and independent contractors may be excused from the requirement of signing in.
- After log-in, a visitor badge may be issued. Employees of any Company entity will not be required to wear a visitor badge while visiting another Company facility.
- This badge will be displayed by the visitor or guest throughout the duration of their visit. After the visit concludes the badge will be returned to the receptionist desk and sign out is required.
- If entry into warehouse and shop areas is required, the authorized Company employee will accompany **all** visitors and guests **at all reasonable times** during their visit. In the case of an emergency the authorized employee will assist the visitor or guest in evacuating the facility and reporting to the designated staging area if an evacuation is warranted.
- The authorized employee is responsible for the safety of the guest(s) to ensure that all appropriate PPE is worn, and safety rules are followed.
- Except with written approval of an authorized Company employee, visitors and guests are not allowed to work, nor assist in any work-related process within any Company facility.
- Guests and visitors may only be provided access to the guest wi-fi network(s).
- Guests and visitors may not take photographs while onsite except with written authorization from authorized Company personnel.
- Guests and visitors who work for or are competitive to the business of Company entities may not pass from the lobby or reception area except with written authorization from an authorized Company officer.

<b>DOCUMENT CONTROL NO#</b>  EOHI-PPH-019	<b>CURRENT REVISION:</b>  1	
<b>EFFECTIVE DATE:</b>  9/1/2023	<b>NEXT REVIEW DATE:</b>	
<b>TITLE OF DOCUMENT :</b> Generative AI Use Policy		
<b>ORGANIZATION:</b> EMPLOYEE OWNED HOLDINGS INC. and AFFILIATES		

## EOHI-PPH-019 – GENERATIVE AI USE POLICY

### Purpose

With the increasing popularity of generative Artificial Intelligence (AI) applications, including chatbots such as OpenAI's ChatGPT and Google's Bard, it has become necessary to outline the proper use of such tools while working at the Company. While we remain committed to adopting new technologies to aid our mission when possible, we also understand the risks and limitations of using generative AI applications and want to ensure responsible use. Our goal is to protect employees, clients, suppliers, customers, the public and the Company from harm.

### Overview

While AI chatbots can be used to perform a variety of functions, this policy addresses primarily the use of a web-based interface to ask or “prompt” the chatbot in a conversational manner to find answers to questions or to create or edit written content.

Some examples of what could be created using an AI chatbot include:

- Emails and letters.
- Blog posts, reports and other publications.
- Sales and advertising copy.
- Policies and job descriptions.
- Spreadsheet calculations.
- Foreign language translations.
- Coding development or debugging.
- Document or information sorting.
- Outlines or summaries of internal or external information.

There are risks in using this technology, including uncertainty about ownership of the AI-created content and security/privacy concerns if proprietary Company information or sensitive information about an employee, client, customer, etc., is used when interacting with the chatbot. Additionally, the accuracy of the content created by these technologies cannot be relied upon, as the information may be outdated, misleading or—in some cases—fabricated.

### Eligibility

This policy applies to all employees of Employee Owned Holdings, Inc. and its Affiliates and to all the work associated with the Company that those employees perform, whether on or off Company premises.

### Policy

Limited use of generative AI chatbots will be allowed while performing work for Company with the approval of your supervisor. No confidential Company data of any kind may be submitted (copied, typed, etc.) into these platforms.

Employees wishing to use generative AI chatbots must inform their supervisor how the chatbot will be used. Managers should timely approve or deny requests.

All AI-generated content must be reviewed for accuracy before relying on it for work purposes. If a reliable source cannot be found to verify the factual information generated by the chatbot, that information should not be used for the Company. AI chatbot-generated content should be properly cited, including the use of AI chatbot-generated content when used as a resource for Company work. For example, if content was used from an AI chatbot, the article, report or document should include a disclaimer such as "Please note generative AI assisted with generating the text provided."

Acceptable uses of generative AI include:

- Asking general-knowledge questions meant to enhance your understanding on a work-related topic.
- To brainstorm ideas related to projects you are working on.
- To create formulas for Excel spreadsheets or similar programs.
- To develop or debug code, which would need to be verified before deployment.
- To help draft an email or letter.
- To summarize online research or to create outlines for content projects to assist in full coverage of a topic.

Unacceptable uses include:

- Copying and pasting, typing, or in any way submitting confidential or proprietary Company content or data of any kind into the AI chatbot.
- Failing to properly cite an AI chatbot when it is used as a resource.
- Relying on the content provided by an AI chatbot without further confirmation.

Any violation of this policy will result in disciplinary action, up to and including termination.

Please note that generative AI chatbots may produce content that is plagiarized from its knowledge base, including copyrighted works, so no text generated or partially generated from a chatbot will be eligible to receive a copyright, trademark or patent for the Company at this time.

## **Training**

All employees using generative AI chatbots for work purposes should attend training on the proper use of these technologies before doing so for Company purposes.

## **Ethical Use**

Employees must use generative AI chatbots in accordance with all Company's Code of Ethics and antidiscrimination policies. AI chatbots analysis may reflect biased or discriminatory content on which the data gathered. Along with factchecking the veracity of the output, users should be attuned to any discriminatory or biased statements or conclusions resulting in the algorithmic mining of such source materials. These technologies must not be used to create content that is inappropriate, discriminatory or otherwise harmful to others or the Company. Such use will result in disciplinary action, up to and including termination.

This area of the law is currently under development, and employees are to remain vigilant for developments which may lead to further modifications to this policy. If you have any questions regarding this policy, please contact the Company's HR or Legal Department.



## **ACCEPTANCE OF COMPANY PERSONNEL POLICY HANDBOOK**

I have been given a copy of the EMPLOYEE OWNED HOLDINGS, INC., AND ITS AFFILIATES PERSONNEL POLICY HANDBOOK (the "Handbook") as part of my employment with Employee Owned Holdings, Inc. and/or its affiliates (the "Company").

I certify that I have read this Handbook to become familiar with my rights, benefits and other Company policies. I understand that continued employment is based on my adherence to these policies contained in the Handbook. I agree to abide by the Company's policies and any described working conditions or instructions but understand that failure on my part to do so may constitute cause for immediate dismissal at any time and without prior notice, and that regardless of the above my employment with the Company is "at-will" and is not for a fixed term or definite period.

**SIGNED:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**DATE:** \_\_\_\_\_