

EMPLOYEE HANDBOOK

WE MAKE GOOD BREAD!

SINCE 1926



ROGERS, ARKANSAS

(479) 636-3313 phone

www.harrisbaking.com

TABLE OF CONTENTS

| Subject: | Page # |
|--|---------------|
| Our History..... | 1 |
| Our Mission, Core Values and Commitment to Safety..... | 2 |
| Employee Status | 3 |
| Employee Policies | |
| Equal Opportunity Employer..... | 3 |
| Probationary Period..... | 4 |
| Job Posting..... | 4 |
| Employment Applications..... | 4 |
| Orientation..... | 4 |
| Family Assignments..... | 4 |
| Breaks..... | 4 |
| Personnel Files..... | 5 |
| Personal Data Changes..... | 5 |
| Employee Rehire..... | 5 |
| Outside Employment..... | 5 |
| Performance Review (Hourly)..... | 5 |
| CorrectiveAction..... | 6 |
| Termination..... | 6 |
| Personal Property..... | 6 |
| Parking and Speed Limits | 7 |
| Plant Entry..... | 7 |
| Company Resources | 7 |
| Supplies & Expenditures..... | 7 |
| Visitors..... | 7 |
| Immigration..... | 7 |
| Attendance..... | 8 |
| Penalty Points..... | 8 |
| Absence Without Notice..... | 8 |
| Corrective Action..... | 8 |
| Attendance Control Year..... | 8 |
| Harassment..... | 9 |
| Uniforms & Dress Code..... | 10 |
| Hand Washing..... | 10 |
| Personal Protective Equipment..... | 10 |
| Injuries and Accidents..... | 10 |
| Lock Out/Tag Out..... | 10 |
| Operating Equipment & Machinery..... | 11 |
| Lockers..... | 11 |
| Weapons..... | 11 |
| Substance Abuse..... | 11 |
| Tobacco Products..... | 11 |
| Telephone Use..... | 12 |
| Internet Use..... | 12 |
| Passwords..... | 12 |
| Social Media Policy..... | 12 |
| Smart Phones/Cell Phones..... | 12 |
| Wages and Salary Polices | |
| Increases..... | 13 |
| Timekeeping..... | 13 |
| Overtime..... | 13 |

TABLE OF CONTENTS

| | |
|--|-----------|
| Paydays..... | 13 |
| Garnishment Deductions..... | 13 |
| Benefits and Services | |
| Free Bread..... | 14 |
| Group Insurance..... | 14 |
| Life..... | 14 |
| Dental..... | 14 |
| Vision..... | 14 |
| Short Term Disability..... | 14 |
| Health Saving Plan..... | 14 |
| Cobra Benefits..... | 14 |
| Annual Enrollment..... | 14 |
| Leaves of Absence | |
| FMLA..... | 15 |
| Illness or Off-the-job Injury..... | 15 |
| Maternity..... | 15 |
| Personal..... | 15 |
| Military..... | 15 |
| Workers Compensation | |
| 401K..... | 16 |
| Vacation..... | 16 |
| Holidays..... | 17 |
| Funeral Pay..... | 17 |
| Jury Duty..... | 18 |
| Employee Relief Fund..... | 18 |
| Record Keeping..... | 18 |
| Employee Communications | |
| Bulletin Board..... | 18 |
| Staff Meetings..... | 18 |
| Suggestions..... | 18 |
| Open Door Policy..... | 18 |
| Email Etiquette..... | 18 |
| Additional Driver Information | |
| Public Image..... | 19 |
| Vacation Policy..... | 19 |
| Transportation Guidelines..... | 19 |
| Additional Salaried Employee Information | |
| Cell Phone..... | 20 |
| Laptop Computers and Tablets..... | 20 |
| Expense Reporting..... | 20 |
| Company Issued Credit Card..... | 20 |
| Business Cards..... | 20 |
| Mileage Reimbursement..... | 21 |
| Company Vehicle Usage..... | 21 |
| Vacation..... | 21 |
| Annual Performance Reviews..... | 21 |
| Profit Sharing..... | 21 |
| Code of Business Ethics & Acknowledgements..... | 22 |
| Employee Certification and Agreement..... | 22 |



Our History

Harris Baking Company was established in 1926 when Earl A Harris and his sister Effie purchased the Strom Bakery located at 107 West Walnut. Back then getting the ingredients to the second-floor mixing room required a team of mules and a pulley. The bakery remained successful even through the Great Depression, producing up to 250 loaves per day. Earl made sure no employee missed a payday during the Depression.

By 1936 the bakery had outgrown the Walnut Street location and built a new modern facility on the corner of Second and Elm street. The Art-Modern style building introduced many “firsts” to Rogers: the first office with air conditioning; the first casement windows; the first corner windows, and the first use of conveyor belts to move product throughout the bakery. With two ovens, the bakery could produce 1200 loaves daily. It was one of the most modern bakeries in Mid-America at the time.

In 1966, a group of 65 IGA retailers bought the bakery from the Harris family. This was the first bakery in the United States to be owned by a group of independent retailers. By 1993 the bakery had outgrown the Second and Elm location and was moved to a new modern bakery at 2301 S First Street in Rogers; where it operates today with 200 employees producing over 30 million packages of bread products annually.

Mission

Our mission is to make good bread by using quality ingredients, putting our employees first and passionately serving on our customers.

Core Values

We are responsible, accountable and respectful to each other, our customers and our vendor partners.

We encourage honesty, integrity and transparency in all we do.

We strive for continuous improvement and encourage innovation to meet challenges.

We promote a culture of safety. Safe People. Safe Food.

Commitment to Safety

Harris Baking Company places a high value on safe conditions and safe behaviors. As an employee of Harris Baking Company, you will be expected to accept responsibility for your safety and the safety of your co-workers

We expect all employees to commit to the following:

- Work Safely always and follow safety rules.
- Report workplace hazards and potential risks.
- Fully engage in all safety training when asked to attend.
- Use personal protective equipment as required for each job.
- Report all injuries, incidents and near misses immediately.
- Avoid all unsafe acts and assist in eliminating or safeguarding all unsafe conditions.

Harris Baking Company provides information to all employees about **OHSA** Workplace Safety and Health issues through regular internal communications such as training sessions, team meetings and bulletin board postings.

Harris Baking Company is committed to making Safe Quality Food (SQF). Our plant has an annual audit and certification from the SQF Institute. SQF is the only program, recognized by the Global Food Safety Initiative that is headquartered outside Europe. The SQF code meets the needs of all suppliers in the food industry through internationally-recognized certification system, featuring an emphasis on the systematic application of HACCP for control of food quality hazards as well as food safety.

Definitions of Employment Status

An employee of Harris Baking Company (hereafter referred to as “the Company”) is a person who regularly works for the Company on a wage or salary basis. Employees may include exempt, non-exempt, full-time, part-time and temporary persons, and others who are employed with the company who are subject to the control and direction of the Company in the performance of their duties.

Exempt: Salaried

Employees whose positions meet specific criteria established by the Fair Labor Standards Act (FLSA) and who are exempt from overtime requirements.

Non-Exempt: Hourly

Employees whose positions do not meet FLSA criteria and who are paid one and one half their regular rate of pay for hours worked more than 40 hours per week.

Full-Time

Employees who are classified as full time and regularly scheduled to work 30 or more hours per week. Generally, they are eligible for the Company’s benefit package subject to the terms, conditions and limitations of each benefit program.

Part-Time

Employees who are classified as part-time and regularly scheduled to work less than 30 hours per week.

Temporary

Employees hired from temporary staffing agencies and Interns may work up to 40 hours a week as needed. These employees do not participate in the Company benefit program.

Employment Policies

Equal Opportunity Employer

It is the policy of the Company to continually seek the best qualified applicants and employees in all categories for employment and work assignments and that such employee assignments shall be made without regard, under any circumstances, to race, creed, color, sex, age, national origin, marital status, disability or any other factors not related to the needs of the job. **We will not tolerate discrimination of any kind.**

We, as a company, will establish and maintain reasonable and consistent standards of job performance and employee conduct. These standards will be considered in decisions that affect the promotion, compensation, and relation to each employee. It is the desire of the Company to use the individual abilities of each employee as fully as possible by assignments to positions throughout the company which considers the individual employee’s performance, experience, attitude and interest.

Harris Baking Company is an employment-at-will employer. Employees may terminate their employment at any time without prior notice or cause, and the Company may do the same.

Nothing in this guide or any other communications is a contract or is to be interpreted as a contract regarding term or condition of employment. Only the Harris Baking Company Board of Directors may enter an agreement inconsistent with an at-will employment, and any agreement must be in writing.

Probationary Period

All employees start on a 90-day probationary period. Your employment may be terminated for any reason deemed necessary by the Company within this 90-day period.

Job Postings

Whenever possible open jobs will be posted internally for a period of one week on the employee bulletin board, before being made available to the outside. Some department employees are subject to a bid procedure for job assignments. Check with your supervisor to see how bids are handled in your department. New employees with less than 90 days' employment will not be eligible to bid. When an employee is awarded a position through the bid process he or she must fill that position for six months before becoming eligible to bid on another position. The Company reserves the right to make all job assignments to insure adequate and competent staffing in all areas of the Company.

Employment Applications

We rely upon the accuracy of information in the employment application and accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications or material omissions in any of this information or data, may result in the exclusion of the individual from further consideration for employment or termination of employment if the person has been hired.

New Employee Orientation

Orientation is a formal welcoming process that is designed to make the new employee feel comfortable, informed about the company, and prepared for his or her position. New employee orientation is conducted on the first day of your job and will include an overview of the company history and an explanation of the company objectives. In addition, the new employee will be given an overview of benefits, tax and legal issues, and will complete any necessary paperwork. The employee will be introduced to his or her supervisor who will review the position's job description and expectations.

Family Assignments

The Company desires to obtain the finest employees available. Often candidates for available positions are relatives of current company employees. The company welcomes recommendations from current employees concerning any individual who may be qualified to fill an available position. However, the company does not want to place relatives in the same department, on the same shift, if possible. A relative is defined as mother, father, child, sister, brother, brother-in-law, sister-in-law, wife, husband, mother-in-law, father-in-law, grandchild, grandparents and grandparents-in-law.

Occasionally, the Company will hire a family member in the same department with the prior consent of the Operations Manager or the Department Manager if person is not under the direct supervision of a family member.

Breaks

Plant personnel receive paid breaks for 15 minutes every two hours. Breaks should be taken in the break room provided. No eating or drinking including the chewing of gum is allowed in the plant except in designated areas. Water fountains may be used as the only exception.

All employees are expected to keep the break room and locker rooms clean and orderly always.

No Glass is allowed inside the Company facility.

Office support personnel receive two paid 15-minute breaks each day. Lunch breaks are 30 minutes and will be off the clock. Office support employees may leave the premises while off the clock.

Personnel Files

Employee personnel files include the following: job application, resume, records of participation in training events, salary history, vacation, time off history, records of disciplinary action and documents related to employee performance reviews and coaching.

Personnel files are the property of the Company and access to the information is restricted. Management personnel of Harris Baking who have a legitimate reason to review the file, can.

Personal Data Changes

It is the responsibility of each employee to promptly notify his or her supervisor or the Human Resources department of any changes in personal data such as:

- Mailing address
- Telephone numbers
- Name and number of dependents
- Individuals to be contacted in the event of an emergency.

An employee's personal data must be accurate always.

Rehire Of Employees

Any employee who has previously worked for Harris Baking company may be considered for rehire provided the person left the company on good terms. No seniority will be given upon rehire.

Outside Employment

Employees may hold outside jobs in non- related businesses or professions if the employee meets the performance standards of their job description with Harris Baking Company. Going to work for a vendor or a competitor of Harris baking must be approved and/or disclosed to your supervisor.

Employee Performance Review (Hourly)

Supervisors will conduct performance reviews with every employee after 3 months of service, then yearly. The 3-month performance review is NOT a pay rate review. If you are a rehire employee, you will only be reviewed yearly. Supervisors may conduct informal performance reviews and coaching sessions more often if necessary. Yearly reviews will be conducted during your anniversary month. These reviews are meant for supervisors and employees to discuss current job tasks, encourage personal growth and accomplish departmental and personal goals.

Corrective Action

The Company holds each of its employees to certain work rules and standards of conduct. When the employee deviates from these rules and standards, The Company expects the employee's supervisor to take corrective action.

Corrective action at Harris baking is progressive. The action taken in response to a rules infraction or violation of standards typically follows a pattern increasing in seriousness until the infraction or violation is corrected. (Usually, three write-ups, suspension and then termination.)

Though committed to a progressive approach to discipline, The Company considers certain rule infractions and violations of standards to be more serious in nature.

The following are examples of infractions that are so serious that an employee could be terminated immediately. The following list is not intended to be exclusive of other infractions that might result in immediate termination. Nothing in this paragraph or elsewhere in this handbook should be interpreted to limit the Company's right to terminate any employee's at-will employment.

- Theft in any form.
- Insubordinate behavior
- Vandalism or destruction of company property
- Being on company property during non-business hours without permission.

- The use of company equipment and/or company vehicles without prior authorization by Executive Staff.
- Untruthfulness about personal work history, skills or training, falsifying records or information.
- Clocking in or out for another employee.
- Excessive absenteeism or any absence without notice.
- Leaving job without permission.
- Fighting, immoral conduct, threats, or intimidation.
- Possession, distribution, sale, transfer, or use of alcohol, or illegal drugs in the workplace.
- Working under the influence of alcoholic beverages or drugs.
- Arrest and/or conviction of serious criminal offense.
- Boisterous or disruptive activity in the workplace, horseplay of any type.
- Negligence or improper conduct leading to damage of company-owned or customer owned property.
- Possession of weapons.
- Sleeping on the job.
- Discourteous treatment of customers or fellow employees.
- Receiving money or other inducements to purchase from suppliers.
- Sexual harassment of any employee.
- Violation of safety or health rules.
- Divulging company business practices.

Employment Termination

Termination of employment is an inevitable part of personnel activity of any organization, and many of the reasons for termination are routine. Below are a few examples of some of the most common circumstances under which employment is terminated:

- Resignation- voluntary employment termination initiated by an employee.
- Termination- involuntary employment termination initiated by the Company for disciplinary reasons.
- Layoff-involuntary employment termination initiated by the Company for non-disciplinary reasons.

The Company requests at least a two-week notice if you intend to terminate your employment with Harris Baking.

Since employment with the Company is based on mutual consent, both the employee and the Company have the right to terminate employment at will, with or without cause.

Any employee who terminates employment with the Company shall return all files, records, uniforms, company issued credit cards, keys, and any other materials that are the property of the Company. Any outstanding financial obligations owed to Harris Baking will be deducted from the employee's final paycheck. Employee's benefits will be affected by employment termination in the following manner. All earned benefits that are due and payable at termination will be paid except in cases of gross misconduct. Some benefits may be continued at the employee's expense if the employee elects to do so. The employee will be notified of the benefits that may be continued and of the terms, limitations and conditions.

Personal Property

The Company assumes no risk for any loss or damage to personal property.

Parking and Speed Limits

Employees must park their vehicles in the designated areas. The speed limit at the plant is 5 miles per hour.

Plant Entry

Sales and office support clerks should use the front entrance. Maintenance employees should use the shop entrance. Production, Food Safety and Environmental Services employees should use the employee entrance. Drivers should use the driver entry door on the south side of the building or the door beside the fuel island on the north side of the building.

Use of Company Resources

Company resources including time, material equipment and information are provided for company business use. Occasional personal use is permissible if it does not affect job performance or cause a disruption in the workplace. Employees and those who represent Harris Baking are trusted to behave responsibly and use good judgement to conserve company resources. Company property may not be removed from the premises without approval. Proper authority will be noted prior to removal and upon return. Tools must be clean and in good repair. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their use.

Generally, we will not use company equipment such as computers, copiers and fax machines in the conduct of outside business or in support of any religious, political or other outside daily activity. Solicitation of employees of the Company is strictly prohibited. Distribution of materials by employees in work areas or on working time is prohibited.

Supplies & Expenditures

Only authorized persons may purchase supplies in the name of Harris baking. No employee whose regular duties do not include purchasing shall incur any expense on behalf of the Company or bind the Company by any promise or representation without written approval.

Visitors in the Workplace

To provide for the safety and security of everyone, only authorized visitors are allowed in the workplace.

All visitors must check in at the front desk.

Restricting unauthorized visitors helps ensure security, decreases insurance liability and safeguards employee welfare. *Non-company employees who have been authorized to work inside the plant must be wearing a RED hairnet.*

Immigration Law Compliance

The Company employs only United States citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986.

Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the I-9 form.

Attendance/Punctuality

The Company expects every employee will be regular and punctual in attendance. This means being at work and ready to work at their starting time each day. Absenteeism and tardiness places a burden on other employees and every department.

You should never clock in earlier than five minutes before your scheduled time unless requested by your supervisor. Six minutes after your scheduled clock in time will be considered tardy.

If you are unable to report to work for any reason, notify your supervisor at least one hour before regular starting time. You are responsible for speaking directly with your supervisor about your absence. It is not

acceptable to leave a message with another employee except in extreme emergencies. Should undue tardiness become apparent, disciplinary action may be required.

Penalty Points for Unexcused Absences /Incidents

| | |
|--------------------------|--------------------------|
| Late (5 minutes or more) | ½ Point |
| Leave Early | ½ Point |
| Absence with timely call | 1 Point |
| Absence with Late Call | 1 ½ Points |
| Absence No Call | 2 points + 3 days no pay |

Absence Without Notice

When you are unable to work due to an illness or an accident, please notify your supervisor. This will allow the Company to arrange temporary coverage of your duties. If you do not report for work and the Company is not notified of your status, it will be assumed after two consecutive days of absence that you have resigned, and you will be removed from the payroll.

If you become ill while at work or must leave the plant or office for some other reason before the end of the workday, be sure to inform your supervisor of the situation and clock out.

Corrective Actions for Unexcused Absences /Incidents

| Points | Action to be Taken |
|--------|--|
| 3 | Employee Coaching by Department Head. Note made to employee attendance file. |
| 5 | Step one Discipline. Written reprimand in personnel file. 1 Day Suspension |
| 7 | Step 2 Discipline. Written reprimand in personnel file. 2 Days suspension |
| 9 | Step 3 Discipline, Termination |

Employees will be penalized once for any one incident.

A person will receive only 1 point for consecutive days missed for the same sickness/illness.

Your supervisor can answer any questions concerning the attendance policy.

Attendance Control Year.

In line with this agreement, an employee’s attendance control year begins on the date they receive a disciplinary point and ends twelve (12) months later the same date. Points accrued will be eliminated one year from the date they were assessed.

An employee is allowed two doctor’s excuses per year for missing work. Extended doctor’s excuses must state a disability.

Employees may request a day off in advance under the following criteria:

- A minimum of 1 weeks’ notice
- Supervisor or superintendent approval
- Work force available to cover time off request.

If these criteria are met, then no penalty will be assessed for the day off.

Harassment, Including Sexual Harassment

The Company is committed to providing a work environment that is free of discrimination and unlawful harassment. Actions, words, jokes or comments based on an individual’s sex, race, ethnicity, age, religion or any other legally protected characteristic will not be tolerated.

If you believe you have been the victim of harassment, or know another employee who has, please report it immediately. Employees can raise concerns and make reports without fear of reprisal.

Any employee or supervisor who believes he or she has been the subject of harassment or who becomes aware of that harassment of another employee has taken place should immediately report the circumstance to any one of the following: Your immediate manager, Operations Manager, Department manager, Human Resources Manager, or General Manager. You may use the following phone numbers if necessary:

- Human Resources 636-3313 X215
- General Manager 636-3313 X216

Any supervisor, agent or other employee who has been found to have harassed another employee will be subject to discipline up to and including discharge. The full harassment policy is posted in your break room.

Uniforms & Dress Code

The Company provides uniforms for employees working in production, maintenance, environmental services, shipping, receiving and truck drivers. These are provided on a cost share basis between Harris Baking and the employee. Uniforms are rented and remain the property of the rental company.

All employees are required to arrive at work in uniform and are expected to wear a clean uniform each day.

No changing inside the Company is allowed. Any employee found to be changing on Company property is subject to disciplinary action.

If you have issues with return or repair of your uniforms, please report the problem to your supervisor. It is the employee's responsibility to have dirty uniforms available for the rental company to pick up each week. Upon termination, all uniforms must be returned to the rental company.

Due to hot temperatures, between June 1st and September 1st, employees may wear uniform shorts and t-shirts if they prefer. Shirts and/or shorts must be worn in departmental colors:

- Production-White
- Maintenance- Blue
- Environmental Services-Green
- Shipping/receiving-khaki/tan
- Truck Drivers-Navy Blue

Shorts must extend to the knee and not have holes, tears or be frayed. T-shirts should be crew neck, with sleeves and have no writing on the shirt. Shirts should not have pockets.

Office Support employees should wear shirts with collars and sleeves. These may have the Harris Baking Logo on the shirts. These can be purchased from the Human Resources department at a discounted price.

All employees should wear clothing that is clean and in good repair.

All female employees must wear bras while at work.

Any one (employee or vendor) going into the production and maintenance areas must adhere to the following:

- Wear a hair net. All hair must be inside the hair net. Non-Harris Baking Company employees must wear a red hair net.
- Remove any items from shirt pockets.
- Wear a beard net (if appropriate). **You must either be clean shaven or wear a beard net.**
- No nail polish, false fingernails, ear rings, necklaces, pins, bracelets, watches, or rings except for a plain wedding band.
- No sandals, open toe or unlaced shoes or any type of shoe that leaves any part of the foot exposed.
- No smoking, eating, drinking, gum mints, or any tobacco products including smokeless and vaping is allowed.
- No glass of any kind is allowed.
- No rubber bands or staples are allowed.

- Slip resistant shoes or shoe covers are recommended.
- Steel toed shoes are recommended for employees using pallet jacks and fork lifts.
- Wear approved ear protection.
- Shirts should be tucked in and all buttons except for the top button be buttoned.

Hand Washing

Harris Baking Company is a food production facility. Good hand-washing practices are a must and you must wash your hand each time you do the following:

- Enter the production area.
- Return from a break

Hand washing rules are for everyone including management, visitors and office support personnel.

Personal Protective Equipment

Personal protective equipment is provided to employees as needed. The following rules should always be followed:

- Eye protection when using power washing, compressed air, driving a fork lift or scissor lift, spray painting or any activity which might result in something getting in an employee's eyes.
- Approved metal detecting band aids.
- Approved gloves when necessary.

Injuries and Accidents

Employees must report immediately to their supervisor or designated member of management all injuries and safety related incidents, no matter how slight. All near-misses must be reported.

Cuts and grazes on exposed skin must be covered by a company issued detectable metal strip bandage.

Employees must replace bandages worn from home with an approved bandage.

Any instance in which a worker's compensation claim is filed, will require the employee to submit to drug testing. Any employee unwilling to submit to drug testing will forfeit the right to worker's compensation.

Lockout/Tag out

All employees repairing, or cleaning equipment/machinery must be familiar with the lockout-tag out procedures. The removal or tampering with a lockout/tag out device is prohibited and will be considered a serious offense. No one can override this system and disregarding lock-out tags will result in disciplinary action up to and including termination.

Operating Equipment & Machinery

Only authorized and qualified personnel may operate equipment or machinery. Only management or a designee will determine qualifications.

Machinery may not be operated without guards in place. Inspect all machinery to ensure it is clean and operable before use.

Forklift operators must have a forklift license, wear eye protection, and use seat belts when operating a forklift.

Sanitation & Maintenance

- Clean all spills immediately.
- Doors will remain shut always unless in actual use. Shipping doors must be shut prior to truck pulling out of dock.
- After making repairs be sure area is clear of all parts, supplies, scraps and tools.
- Brooms, mops, buckets and dustpans must be returned to cleaning station after each use.

- All tools must be returned after use.
- Walkie-Talkies must be used properly and maintained.
- The maintenance shop is not a breakroom or a hang out. Please be respectful of their work area.

Lockers

Personal lockers and locks are provided for all employees. Lockers must be kept clean and locked always. Periodically, the Company may require all employees remove all items from their lockers for the lockers to be cleaned or serviced for pest control.

The Company may conduct inspections on lockers as part of safety checks or internal investigations. The employee to whom the locker is assigned must be present during the inspection.

Weapons

The Company prohibits the possession of weapons, concealed or otherwise, on company property. This policy applies to all employees, contractors and visitors excluding law enforcement or security personnel.

This policy applies whether the individual has a permit to carry or not.

Violation of this policy can result in disciplinary action, including termination of employment.

Substance Abuse

The unauthorized or illegal manufacture, consumption, use, action under the influence, possession, sale, gift, transportation, purchases, delivery, solicitation for, acceptance, dispensation or distribution of alcoholic beverages, narcotics, drugs or intoxicants on Company property or in Company vehicles, during an employees scheduled work hours or on a work assignment, or failure to maintain or comply with all rehabilitation requirements of local, state and federal substance abuse laws is basis for discipline including discharge.

The Company firmly believes that most of our employees want to work in a DRUG FREE environment.

Below are the circumstances where employees can be subjected to drug testing:

- Condition of employment. All employees must have a drug screening before they are offered a position at Harris Baking Company.
- Reasonable Cause. Where there is reasonable evidence to suspect an employee is working impaired by drug or alcohol abuse while on company time, or in a company vehicle.
- Work Related Accident. Any employee involved in a work-related accident requiring outside medical attention from a physician will be required to take a drug test before returning to work.

Tobacco Products

Smoking, use of smokeless tobacco or electronic cigarettes will not be allowed inside the Company facility.

Smoking, chewing tobacco or vaping is only allowed in the designated area outside the plant and at a minimum of 50 feet away from plant entrances.

The use of any tobacco products on company property may be done only during an employee's normal break or lunch.

Telephone Use

The Company telephones are intended for the use of serving our customers and conducting the Company's business.

Personal usage during business hours is discouraged except for extreme emergencies. All personal telephone calls should be kept brief. Non-work-related long-distance phone calls are not to be made from company phones.

Internet Use

Company employees are allowed use of the internet and e-mail when necessary to serve our customers and conduct the Company's business.

Employees may use the internet when appropriate to access information needed to conduct business of the company. Employees may use e-mail when appropriate for the Company business correspondence.

Use of the internet must not interfere with an employee's productivity. Employees are responsible for using the internet in a manner that is ethical and lawful. Employees are not allowed to access inappropriate sites and should never create, access, store, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive. Internet and e-mail messages are public and not private.

To protect the interests of the Company's internet or Intranet we reserve the right to access and monitor all files and messages on its systems.

Passwords

Passwords are an important tool in keeping information confidential and safe. Use the following guidelines when setting your passwords:

- Do not use a password that can easily be guessed.
- Do not divulge your Harris baking passwords to others under any circumstances. You are responsible for all transactions and activities conducted using your password.
- Do not use another person's password.
- Change your password every 6 months.

Social Media Policy

While the Company respects the right of people to use social networking sites, blogs and web sites as a medium of self-expression, these sites pose a potential risk to the Company. Therefore, all employees are expected to comply with the following guidelines when using these sites.

- Social networking sites and blogging are forms of public communication. Your public communication concerning the Company, its customers or employees must not violate any guidelines of the handbook.
- If you in any way identify yourself as an employee of the Company, you should make it clear that the views you express are yours and do not necessarily reflect the views of the Company.
- Do not disclose confidential, proprietary or trade secret information belonging to the Company regarding its financial information, marketing strategies, strategic planning or other information that could damage Harris Baking's competitive position or assist its competitors.
- You may not post any material that is obscene, defamatory, profane, libelous, threatening, harassing or abusive to any person or entity connected to the Company, its employees or customers.
- The Company expects that when using social media, all employees will follow our policies prohibiting discrimination and harassment based on age, sex, race national origin, religion, disability or other status protected by law.

Smart Phones/Cell Phones

In certain situations, the use of Smart phones to capture photos can jeopardize confidential information and privacy. Employees may not photograph any confidential or private company information. **Employees are not to use their personal phones while on duty in all areas of the manufacturing facility unless specifically authorized by management.** Personal phones may be used in employee break rooms, the general office areas and outside the building.

No part of the Social Media Policy is intended by the Company to limit, restrict, interfere with or infringe upon the exercise by any employee of rights guaranteed by section 7 of the national labor Relations Act, and this policy shall not be so construed or implied.

Wage and Salary Policies

Wage and Salary Increases

Each employee's hourly wage or annual salary will be reviewed at least once per year. The employee's review date will usually be conducted on or about the anniversary date of employment or the date of the previous compensation review. Such reviews may be conducted more frequently for a newly created position or based on a recent promotion.

Increases will be determined based on performance, adherence to Company policies and procedures and ability to meet or exceed job duties and expectations.

Although the Company's salary ranges and hourly wage schedules will be adjusted on an ongoing basis, Harris Baking does not grant "cost of living" raises. Performance is the key to wage increases in the company.

Hourly wage schedules are posted on the employee bulletin board by job position.

Timekeeping

Hourly employees who work in production, maintenance and environmental service are required to clock in and out for the day. They are not required to clock out for lunch.

Office support employees are required to clock in and out for the day as well as in and out for lunch.

The time clock is a legal instrument. Altering, falsifying, tampering with time records, or recording time on another employee's time record will result in disciplinary action including termination of employment.

Office Support personnel will use their computer to clock in and out.

Authorized personnel will review time records each week. Any changes to an employee's time record must be approved by their supervisor.

No hourly employee is ever authorized to work off the clock. Not only is it Company policy, it is the law.

Overtime

Overtime compensation is paid to non-exempt (hourly) employees in accordance with federal and state wage and hour restrictions. Overtime is payable for all hours worked over 40 per week at a rate of one and one half times the non-exempt employee's regular hourly rate. Time off for personal time, holidays or any leave of absence will not be considered hours worked when calculating overtime. In addition, vacation time does not constitute hours worked.

All overtime work performed by an hourly employee must receive their supervisor's approval.

Paydays

All employees are paid weekly. The pay week is from Sunday through Saturday and pay checks are issued on the following Thursday following the end of the work week.

Paychecks will not, under any circumstances, be given to any person other than the employee without written authorization. Paychecks may also be mailed to the employee's address or be **deposited** directly into an employee's bank account upon request.

Wage Garnishments & Deductions.

The Company will follow all rules and regulations regarding writ of garnishment and may exercise the right to withhold administrative costs as appropriate under those rules and regulations.

Benefits and Services

The Company offers a benefits program for all full-time employees. You must be classified as full time and work the required number of hours to receive the appropriate benefits.

Free Bread

Products manufactured in the company plant may be taken home for personal consumption. Employees may have one package of product per work day. Only products marked, either physically or placed in a specific area as excess product may be taken home. Abuse of this privilege may result in disciplinary action.

Group Insurance

The Company offers the following health and life insurance programs for FULL-TIME employees as determined by the carrier of the policies.

Health Insurance

- Coverage begins 2 months from employment date plus the first of the next month.
- Premiums are paid through payroll deduction at each pay period.
- The cost of the insurance is shared between the Company and the employee. The Company pays 65% and the employee pays 35%. Rates are adjusted in January of each year.
- Unmarried children may be covered to age 26.
- See current health insurance packet for further information.

Life Insurance

Each full-time employee is covered by a \$15,000 life insurance policy at no cost to the employee.

Dental Insurance

Dental insurance is available to all full-time employees 60 days after hire date. Dental insurance is on a cost share basis and provided through Delta Dental. Please refer to your insurance packet for more information.

Vision Insurance

Superior Vision is available to all full-time employees. Coverage begins on the first day of the month following 60 days of full time service. Please refer to your insurance packet for more information.

Short Term Disability Insurance

The Company has a short-term disability policy for each full-time employee provided at no cost to the employee. Coverage begins on the first day of the month following 60 days of full time service. Please refer to your insurance packet for full details.

Health Saving Plan

An HSA is available for employees enrolled in the high deductible (no co pay) insurance plan. See Human Resources for more information.

Cobra Benefits

The federal Consolidated Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the Harris Baking Company health plan when a “qualifying event” would normally result in loss of eligibility.

Under COBRA, the employee or beneficiary pays the full cost of coverage at the Company group rate plus an administration fee. Harris Baking Company provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Harris Baking Company's insurance plan.

Annual Enrollment

Annual open enrollment for all current employees will be held 2 full weeks in November each year. Employees will be notified of the dates of open enrollment and any changes being made in the insurance benefits and will be allowed to update or change their coverages during the open enrollment period.

Leaves of Absence

Family and Medical Leave Act

The Company will comply with Family Leave Policy as directed by Federal law.

To be eligible for Family and Medical Leave, employee must have been employed at the Company for at least 12 months and be classified as a full-time employee.

Additional information is available at the Human Resources office.

Illness or Off-the-Job Injury

Should you become disabled and can verify the disability via a physician's statement, a leave of absence will be considered reasonable accommodation for the disability. This leave will be granted for up to 3 months. Employees must submit a physician's statement verifying disability and must submit a new one every 30 days to maintain leave status. When you are ready to return to work, you must submit a release from the doctor stating that you are able to perform your job with or without reasonable accommodation and will not pose a direct threat to the health and safety of yourself and others. There is no guarantee of reinstatement rights to persons on regular leave(s) of absence except for a disability qualifying under ADA. It is just a promise of first consideration for further openings in the same position that you had before you left. If your leave of absence qualifies under FMLA, you will be returned under the conditions of the act.

Maternity Leave

Should you wish a maternity leave of absence, your request will be handled in the same manner as outlined above in the illness and off-the-job injuries. If your leave of absence qualifies under the FMLA, you will be returned to work under the conditions of the act.

Personal Leave

A personal leave for an emergency, or reasons determined valid by the discretion of management, may be granted for periods up to 30 days. With proper documentation, this leave may be extended for like periods.

Military Leave

Employees who leave the company for performing military service or undergoing military training for a branch of the Armed Forces of the United States are eligible for full employment restoration provided they make proper application for re-employment and meet other eligibility criteria as established by State and Federal statutes. Veterans and reservists who are eligible for full employment restoration shall be considered as having been on military leave of absence during their period of service for purposes of employment rights and privileges and shall be eligible to have their employment with the Company restored.

Further information can be obtained at Human Resources.

Workers Compensation

The Company provides you with the maximum benefits of Workers' Compensation Insurance in accordance with the state law. Any injury you receive while at work, regardless of how minor it may seem, should be reported to your supervisor or the safety director immediately.

401K Retirement Plan

The Company is pleased to offer our employees a retirement plan classified as a 401K plan. The purpose of the plan is to encourage you to save for your retirement. All money invested by you in your 401K plan is sheltered from taxation while saving for retirement. The monies contributed by you and the earnings that you make on your contributions will not be taxable until you get your distribution of your investments. This plan is open for participation by all employees who are at least 21 years of age and have 60 days of service.

You may increase or decrease your employee contribution on January 1, April 1, July 1 and October 1. Refer to the information given to you at orientation for further instructions or contact your department manager or Human Resources manager.

Vacation

Each full-time employee will earn vacations as follows:

- 1 Year Employment 1-week vacation
- 2 years employment 2 weeks vacation
- 7 years employment 3 weeks vacation
- 15 years employment 4 weeks vacation
- 25 years employment 5 weeks vacation

The first-year vacation is earned after one full year of employment. The years an additional week is earned, you must wait until your anniversary date for the extra week(s).

In each department, vacation schedules are posted, and seniority will prevail in selection. No one can take more than 2 weeks consecutively without permission from the general manager.

All vacation requests should be scheduled a minimum of 2 weeks in advance and approved by the department manager.

Because of business needs, these 4 weeks are blocked for vacations for all departments:

- The week prior to Memorial Day
- The week prior to Independence Day.
- The week prior to Labor Day.
- The week prior to Thanksgiving.

In some cases., special permission may be given for one of these 4 weeks. Requests must be in writing and approved by department manager and General Manager.

Upon termination, unused earned vacation will be paid in a lump sum in the employee's final paycheck if the following is met:

- Employee gives a minimum of 2 weeks notice.
- Employee works his or her last scheduled day before leaving.
- All uniforms and company property have been returned to the Company.
- Employee must leave the Company in good standing.

All employees are encouraged to take all vacation time earned each year. At least 1 week must be taken each year and the remainder of vacation time earned can be exchanged for pay at the employee's request. Vacations may not be carried over from one year to the next.

Holidays

After 6-months employment, full-time employees will receive the following holidays paid:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Christmas
- Floating Holiday*

All full-time employees will be paid eight hours at their regular hourly rate provided the following conditions are met:

- Work a full shift on the employee's last scheduled work shift prior to the paid holiday.
- Work a full shift on the employee's first scheduled work shift following the holiday.
- Should the employee be unable to work either of these two days because of illness, proof of illness will be required to qualify for the paid holiday.

Holiday pay will not be paid if:

- The employee has been full time less than 6 months.
- The employee on lay-off status.
- The employee is a temporary, seasonal or part-time employee.
- The employee is on leave of absence or vacation when the holiday occurs.

*Floating holidays are paid using the following criteria:

- Must be approved by your supervisor prior to the holiday.
- Employee must have at least 1 year of employment at Harris Baking.
- Floating holiday must be taken in the calendar year they are earned.
- **Earned floating holidays cannot be sold for cash.**

Funeral Pay

All employees who have been classified as full time for six months will be eligible for 24 hours' funeral pay per calendar year. In the event of the death of a spouse, grandparent, grandparent-in-law, mother, mother-in-law, father, father-in-law, step-parents, brother, brother-in-law, sister, sister-in-law, son or daughter (or step children) and grandchildren, Harris baking will grant a leave of absence with pay for the necessary time

required to make funeral arrangements and attend the funeral, not to exceed three eight-hour days. This provision shall not apply if such death occurs during an employee's vacation or while on leave of absence. Pay for the time off for a funeral must be approved by the Human Resources manager or General Manager.

Jury Duty

If an employee is called for jury duty, Harris Baking will not discharge or penalize the employee or require them to use sick or vacation time. Employees will receive their normal pay rate while serving on jury duty. Employee must notify Harris Baking management of this activity within a reasonable amount of time to cover their work. Proof of serving jury duty will be necessary and will be placed in the employee's file.

Employee Relief Fund

The employee relief fund is available for hourly employees. Criteria must be met to apply for funds from this account. See your department Superintendent or manager for details.

Record Keeping

The Human Resources department maintains vacation hours, holiday pay and other employee benefits.

Employee Communications

Bulletin Boards

The Company maintains bulletin boards in several areas of the facility as a form of communication to keep employees informed. You should check the bulletin board in your area every day to be sure you are aware of what is going on. The bulletin boards are or management communications only. No one may place anything else on the bulletin board without management approval.

Staff Meetings

From time to time we will call a meeting to discuss or explain items of importance. This includes monthly safety meetings. We ask you to participate in all such meetings and your attendance is expected just as it is for reporting to work on any given day. If you are required to attend a meeting, this will be considered as work time and you will be paid for the time you are at the required meeting.

Suggestions

We are always interested in your suggestions for improvements in company operations. These suggestions are valuable to us. We encourage employees to share their ideas and suggestions especially when it comes to reducing waste and making the Company a better place to work. Suggestions should be made in writing and placed in the suggestion box or given to your department manager, Human Resources manager or General Manager.

Open Door Policy

We believe that nobody knows more about how to improve our operations than the people that work in our facility every day. We want all employees to know they can talk to any level of management at any time.

Email Etiquette

Email is a useful business tool; however, it can be abused in various ways. Please follow these rules when using email as a Harris Baking employee.

- Write carefully and accurately- do not present an opinion as fact.
- If there are concerns about the content of the message, have another employee review the email before it is sent.

- Do not exaggerate.
- Don't be flippant or sarcastic.
- Avoid slang.
- Never use profanity.
- Remember that not everyone sees things the same way. Avoid language that could be interpreted in conflicting ways.
- Consider whether the context of an email would be uncomfortable for anyone if widely disclosed to the public.
- Don't overuse email by sending courtesy copies to people who do not need them.
- Generally, it is not necessary to reply to an email just to inform the sender that you have received it.
- Do not forward an email unless the original sender is aware the message may be forwarded.
- **Email is for business communication, not for advertising. Do not send emails about garage sales, cookie sales, fundraisers, etc. Avoid sending jokes, outside work stories and other "pass-a-longs".**
- An email is not a conversation, it is recorded, preserved and can be duplicated at will. An email is generally less formal than a hard copy letter or memo but is more permanent than speaking to someone on the phone.
- Email does not convey emotion well, use the telephone when appropriate.
- When replying to an email, it is often useful to include a portion of the original sender's message to put your reply in context.
- Use normal capitalization and punctuation. Typing a message in all caps is the email equivalent of shouting at the reader.
- Prior to sending an email, always check your spelling.

Additional Driver Information

Public Image

A professional appearance is important anytime you meet customers. Employees should be well groomed and in uniform upon making deliveries to our customers. It is your responsibility to always present the best possible image to our customers. You should always be courteous and respectful of receiving policies of each individual customer.

We are in the food business and the image our customers have of Harris Baking Company determines if they have confidence in the products we deliver to them.

Drivers are expected to be in company issued uniforms and practice good personal hygiene. Facial hair should be neatly groomed and only company approved caps be worn.

Tobacco products of any type are not allowed inside the Harris Baking trucks or at the locations of our customers.

Drivers are required to use hands free headsets to communicate while driving. These headsets should be removed when delivering bread to our customer's facilities.

Vacation Policy;

See vacation policy in Benefits and Services section.

Transportation Guidelines.

There are additional guidelines for truck drivers at the Company. Please see the transportation superintendent or manager for these guidelines.

Additional Salaried Employee Information

Cell Phones

Cell phones are a valuable tool in communicating with our customers and with each other. Do not use your cell phone while driving unless you are using a hands-free system. **Do not text and drive.**

The two ways Harris Baking offers cell phones:

- The company will provide Managers/Superintendents a cell phone. This cell phone may only be used for company business and remains the property of the Company. Monthly bill will be paid by the Company.
- Managers/Superintendents may use their personal cell phone and the Company will reimburse as follows:
 - Managers \$75.00 per month
 - Superintendents \$50 per month

Checks will be issued the first week of each month.

This plan must be approved in advance.

Laptop Computers and Tablets

Laptops and tablets provided by the Company are the property of the company and should be used only for company business. Personal business, personal photos, applications and emails should not be stored on these devices.

Expense Reporting

Employees must complete expense reports each week by Monday at 1:00 pm for the previous week's expenses. At each weekly deadline, send receipts supporting the expense report in either paper or PDF format to the office accountant. Checks will be issued on Tuesdays.

Itemized receipts detailing the purchase and price of each item are required for any expense of \$25 or more. Credit card slip and credit card statements do not qualify as itemized receipts.

No alcohol purchases will be reimbursed.

The Company reimburses for the following expenses:

- Travel expenses.
- Lodging
- Mileage
- Parking
- Airfare
- Reasonable meal costs for overnight and out of town travel.
- Travel to meetings and conferences when authorized.

Expenses of a spouse who travels with any employee to a client meeting or conference will not be paid by Harris Baking.

Approved business expenses will be paid through accounting.

Company Issued Credit Card

An employee may be issued a company credit card. Any points earned on the card belong to the company. Absolutely no personal purchases may be made with this card. An expense report must be completed and turned in as required under Expenses

Business Cards

The Company will provide business cards for appropriate salaried personnel as determined by management. All business cards will be printed by a Company designated printer with the approved style, content and logo.

Employees may request the inclusion of a direct dial phone number or cell phone number. Human Resources will order all business cards.

Mileage Reimbursement

The Company reimburses mileage at the rate approved by the Board of Directors. The mileage reimbursement is the extent of Harris Baking's reimbursement of costs associated with using a personal vehicle on company business.

Reimbursement mileage is calculated as follows:

- Out of town mileage expenses: the distance from the Company to the business destinations.
- Trips between the Company and local businesses.

Personal commuting mileage is not reimbursed. This includes travel from home to Harris Baking and back.

Company Vehicle Usage

Any employee operating or riding as a passenger in a company vehicle must wear a seat belt.

Any employee who during their employment, is required to operate a company vehicle, is convicted of operating a vehicle under the influence of alcohol or a controlled substance will be terminated immediately.

In case of an accident fill out the accident forms located in the glove box and notify Human Resources or management of the accident.

Texting, while driving a company vehicle is not allowed.

Additional company car information is available in the Human Resources department.

Vacations

See vacation policy in Benefits and Service section. The one exception for salaried employees is they CANNOT sell their vacation time for cash.

Annual Performance Reviews

Performance reviews and planning sessions are designed for salaried employee to discuss their current job tasks, encourage and recognize attributes, and discuss positive, purposeful approaches to meeting work related goals. Together, with his or her immediate supervisor, ways can be discussed in which goals can be accomplished and new skills may be learned. Planning sessions offer a great opportunity for employees to discuss current accomplishments and areas for improvement.

The Company directly links wage and salary increases with performance. Your annual performance review and planning sessions have a direct effect on any changes in your compensation. For this reason, among others, it is important to prepare for these reviews carefully and participate in them fully.

Profit Sharing

It is the intent of the Company to share in the annual profits under the following criteria:

- There must be profits to share.
- Profits are based on the calendar year. (January-December)
- An employee must have been employed at the Company for one full year to be eligible.
- Employees must have completed an annual review with his/her supervisor.
- If you leave the Company employment before the profit-sharing checks are paid, you will not be eligible to receive a check.

Profit sharing checks will be approved by the board in April and paid to the employees the third week of May.

Code of Business Ethics & Acknowledgements.

It is the expectation of the Company that all employees will read and sign the following Code of Ethics. The Code of Ethics serves as a guide to proper business conduct for all employees.

I will treat all employees with dignity and respect.

I will not sexually harass any employee.

I will not intimidate, threaten or unnecessarily pressure any employee.

I will never take money, supplies or equipment that belongs to the Company for personal use.

I will not accept pay for time not worked nor will I intentionally waste company time.

I will never lie or intentionally mislead any employee of the Company.

I will never falsify any company documents or records.

I will make sure that time and attendance records are accurate.

I will make sure that all employees have a safe place to work.

I will not accept gifts, premiums, cash, wages, trips or other personal items from a vendor or company without prior authorization from the Operations Manager or General manager.

I will notify the appropriate person if I observe any of the above taking place.

I understand that I am on a 90-day probationary period and may be terminated for any reason deemed necessary by the Company.

I understand and agree to follow the Attendance Control Policy.

I understand and agree to follow all policies and procedures outlined in the Company handbook.

EMPLOYEE SIGNATURE

DATE

Employee Certification and Agreement

(Please read carefully)

I UNDERSTAND AND AGREE THAT:

If employed. And as a condition of my employment, the employment will be at-will. I understand that this Employee Handbook is not a binding contractual agreement between the employer and employee and may be revised at any time.

The new Employee Handbook will pre-empt any other company policies set forth in any other company handbook.

Employment with this Company is at will for no definite period and may, regardless of date of payment of wages and salaries, be terminated by either the employee or the employer, with or without cause, at any time without previous notice.

NOTE: THE COMPANY IS COMMITTED TO HAVING A DRUG FREE WORKPLACE FOR OUR EMPLOYEES TO WORK. THEREFORE, THE FOLLOWING POLICY WILL BE STRICTLY ENFORCED.

I understand and agree that if I am employed, as a condition of my employment, I may be requested to take a drug and/or alcohol test for the following reasons: (1) as a condition for being accepted for employment, (2) being randomly selected from all employees for random testing purposes, (3) as required any time I have a work-related injury or illness that requires medical attention or lost time from work, (4) specific cause or suspicion of illegal drug use or distribution of illegal drugs either at work or away from work, and (5) at other times that may be deemed necessary for the purpose of maintaining a drug/alcohol free workplace. I also agree to authorize the release of the results of any drug or alcohol test to the company representatives who are authorized to receive them. I also understand that a test that shows positive on any illegal tested substances or alcohol can result in severe disciplinary actions up to and including dismissal from the company.

I consent and agree that, when the company is conducting an investigation concerning the theft of money or property or illegal possession or use of prohibited illegal drugs or alcohol, the Company has the right to conduct a search of my locker or any other personal property, including my vehicle that may be located on company property for the purpose of investigating possible violations of company rules, to detect illegal activity or to protect the welfare and safety of the employees on the company's property.

I consent and agree that the Company may conduct a background investigation into my criminal record at any time during my employment.

I consent and agree that the Company may do a credit report at any time during my employment. I will be notified in writing prior to running the credit report.

I have read and agree to the above and hereby certify that the facts I have provided in the employment application are true and complete. I also certify that I have received a copy of the Employee Handbook.

EMPLOYEE SIGNATURE

DATE