



# Employee Handbook

August 15, 2023

# **ABOUT THIS HANDBOOK/DISCLAIMER**

This handbook has been prepared to help employees find answers to questions they may have regarding their employment with Creative Foam Corporation. Please take the necessary time to thoroughly review it.

We understand that this handbook may not answer all questions that may arise. In addition to this document, Supervisors and Human Resources will serve as important sources of information as well.

Neither this handbook nor any other verbal or written communication by a management representative is, nor should be considered, an agreement, contract of employment, express or implied, or a promise of treatment in any particular manner in any given situation, nor does it confer any contractual rights whatsoever. Creative Foam Corporation adheres to the policy of employment at will, which permits the Company or the employee to end the employment relationship at any time, for any reason, with or without cause or notice.

No Company representative other than the CEO may modify at-will status and/or provide any special arrangement concerning terms or conditions of employment in an individual case or generally, and any such modification must be signed in writing.

Many matters covered by this handbook are also described in separate Company documents. These Company documents are always controlling over any statement made in this handbook or by any member of management.

This handbook states only general Company guidelines. The Company may, at any time, in its sole discretion, modify or vary from anything stated in this handbook, with or without notice, except for the rights of the parties to end employment at will, which may only be modified by an express written agreement signed by the employee and the CEO.

This handbook pertains to the Company's United States locations, supersedes all prior handbooks and does not apply to employees covered by collective bargaining agreements.

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## Section 1 - Governing Principles of Employment

### 1-1. Introduction

For employees who are beginning employment with Creative Foam Corporation ("the Company"), we extend a warm and sincere welcome.

For employees who have been with us for any length of time, we thank you for your past and continuing service.

We extend our best wishes for success and happiness here at Creative Foam Corporation. We understand that it is our employees who provide the quality that our customers rely upon, and who will enable us to create new opportunities in the years to come.

### 1-2. Our Values

#### **Be Inclusive.**

Make a difference as a TEAM, work collaboratively and support others in our effort to greatness. Constantly strive for perfection and quickly learn from our mistakes.

#### **Be Inventive.**

Never stop learning and push the TEAM to strive towards sustained excellence. Aim to provide our customers with the most creative solutions in the market.

#### **Be Responsible.**

Maintain an equitable relationship with our customers, employees, stakeholders and communities as we develop as a TEAM.

#### **Be Relentless.**

Demand more from yourself and the TEAM than you think is imaginable, this will drive change and only then will we achieve our goals.

### 1-3. Quality Policy

Creative Foam Corporation's top management establishes the strategic direction of the organization and is committed to the continuous improvement of its products, services, and the company itself.

With the participation of all employees and the commitment of our top management, we will monitor and measure the effectiveness of our quality management system through key quality objectives.

**For our customers**, we are committed to supplying competitive products and services and delivering them on time every time. Through innovative ideas and value-added processes, we create value for our customers.

**For our company**, we are committed to carefully planned growth and creating job opportunities. We will apply advanced technologies to continuously improve our products, services, and overall work environment.

**For our employees**, we are committed to a safe, healthy, and productive work environment.

**For our suppliers**, we are committed to evaluating measurable quality, proven service levels, and technological advances.

### 1-4. Environmental Policy

Creative Foam Corporation is committed to protecting the local and global environment and to minimizing the negative environmental impact(s) of its manufacturing activities, products, and services.

To minimize the environmental impact of our activities, products, and services, Creative Foam Corporation will:

- Comply with applicable compliance obligation requirements and other environmental aspect requirements to which Creative Foam Corporation subscribes.
- Include the consideration of environmental issues in all business strategies and initiatives.
- Firmly embed the protection of the environment in the company and the culture of the employees.
- Prevent pollution, reduce waste, and minimize the consumption of natural resources.
- Educate, train, and motivate employees to carry out tasks in an environmentally responsible manner.
- Ensure that continuous development strategy remains core to our business goals.
- Encourage environmental protection amongst suppliers and subcontractors.
- Investigate the feasibility of influencing our suppliers and customers with consideration to life cycle impacts and activities.

Creative Foam Corporation's top management is committed to continual improvement of environmental performance.

This policy is available to all interested parties through selected media and communicated to all employees, contractors, and suppliers.

## 1-5. Equal Employment Opportunity

Creative Foam Corporation is an Equal Opportunity Employer that does not discriminate on the basis of actual or perceived race, color, creed, religion, national origin, ancestry, citizenship status, age, sex or gender (including pregnancy, childbirth, pregnancy-related conditions, and lactation), gender identity or expression (including transgender status), sexual orientation, marital status, military service and veteran status, physical or mental disability, genetic information, or any other characteristic protected by applicable federal, state, or local laws and ordinances. Creative Foam Corporation's management team is dedicated to this policy with respect to recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, employee activities, access to facilities and programs, and general treatment during employment.

Any employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of Human Resources. Creative Foam Corporation will not allow any form of retaliation against employees who raise issues of equal employment opportunity. If employees feel they have been subjected to any such retaliation, they should contact Human Resources. To ensure the workplace is free of artificial barriers, violation of this policy including any improper retaliatory conduct will lead to discipline, up to and including termination. All employees must cooperate with all investigations conducted pursuant to this policy.

## 1-6. Reasonable Accommodations & Interactive Dialogue

Creative Foam Corporation is committed to complying with applicable federal, state, and local laws governing reasonable accommodations of individuals, including, but not limited to, the Americans with Disabilities Act (ADA). To that end, we will endeavor to make a reasonable accommodation to applicants and employees who have requested an accommodation or for whom Creative Foam Corporation has noticed may require such an accommodation, without regard to any protected classifications, related to an individual's:

- Disability, meaning any physical, medical, mental, or psychological impairment, or a history or record of such impairment;
- Sincerely held religious beliefs and practices;
- Needs as a victim of domestic violence, sex offenses, or stalking;
- Needs related to pregnancy, childbirth, or related medical conditions; and/or
- Any other reason required by applicable law, unless the accommodation would impose an undue hardship on the operation of our business.

Any individual who would like to request an accommodation based on any of the reasons set forth above should contact Human Resources.

After receiving a request for an accommodation or learning indirectly that the employee may require such an accommodation, Creative Foam Corporation will engage in an interactive dialogue with the employee.

Even if an employee has not formally requested an accommodation, Creative Foam Corporation may initiate an interactive dialogue under certain circumstances, such as when the Company has knowledge that an employee's performance at work has been negatively affected and a reasonable basis to believe that the issue is related to any of the protected classifications set forth above, in compliance with applicable law. In the event the Company initiates an interactive dialogue with an employee, it should not be construed as the Company's

belief that an individual requires an accommodation, but will serve as an invitation for the employee to share with Creative Foam Corporation any information the employee desires to share, or to request an accommodation.

The interactive dialogue may take place in person, by telephone, or by electronic means. As part of the interactive dialogue, Creative Foam Corporation will communicate openly and in good faith with the employee in a timely manner in order to determine whether and how Creative Foam Corporation may be able to provide a reasonable accommodation. To the extent necessary and appropriate based on the request, Creative Foam Corporation will attempt to explore the existence and feasibility of alternative accommodations as well as alternative positions for the employee. Creative Foam Corporation is not required to provide the specific accommodation sought by the employee, provided the alternatives are reasonable and either meet the specific needs of the employee or specifically address the employee's limitations.

As part of the interactive dialogue, Creative Foam Corporation reserves the right to request supporting documentation, to the maximum extent permitted by applicable law.

Creative Foam Corporation will endeavor to keep confidential all communications regarding requests for reasonable accommodations and all circumstances surrounding the employee's underlying reason for needing an accommodation.

Creative Foam Corporation will not allow any form of retaliation against employees who have requested an accommodation, for whom Creative Foam Corporation has noticed may require such an accommodation, or who otherwise engage in the interactive dialogue process.

Employees with questions regarding this policy should contact Human Resources.

## 1-7. Non-Harassment

It is Creative Foam Corporation's policy to prohibit intentional and unintentional harassment of or against job applicants, contractors, interns, volunteers or employees by another employee, supervisor, vendor, customer or any third party on the basis of actual or perceived race, color, creed, religion, national origin, ancestry, citizenship status, age, sex or gender (including pregnancy, childbirth and pregnancy-related conditions), gender identity or expression (including transgender status), sexual orientation, marital status, military service and veteran status, physical or mental disability, genetic information or any other characteristic protected by applicable federal, state or local laws (referred to as "protected characteristics"). Such conduct will not be tolerated by Creative Foam Corporation.

The purpose of this policy is not to regulate our employees' personal morality, but to ensure that no one harasses another individual in the workplace, including while on Company premises, while on Company business (whether or not on Company premises) or while representing the Company. In addition to being a violation of this policy, harassment or retaliation based on any protected characteristic as defined by applicable federal, state, or local laws also is unlawful. For example, sexual harassment and retaliation against an individual because the individual filed a complaint of sexual harassment or because an individual aided, assisted or testified in an investigation or proceeding involving a complaint of sexual harassment as defined by applicable federal, state, or local laws are unlawful.

### **Harassment Defined**

Harassment generally is defined in this policy as unwelcome verbal, visual or physical conduct that denigrates or shows hostility or aversion towards an individual because of any actual or perceived protected characteristic

or has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Harassment can be verbal (including slurs, jokes, insults, epithets, gestures or teasing), visual (including offensive posters, symbols, cartoons, drawings, computer displays, text messages, social media posts or e-mails) or physical conduct (including physically threatening another, blocking someone's way, etc.). Such conduct violates this policy, even if it does not rise to the level of a violation of applicable federal, state or local laws. Because it is difficult to define unlawful harassment, employees are expected to behave at all times in a manner consistent with the intended purpose of this policy.

### **Sexual Harassment Defined**

Sexual harassment can include all of the above actions, as well as other unwelcome conduct, such as unwelcome or unsolicited sexual advances, requests for sexual favors, conversations regarding sexual activities and other verbal, visual or physical conduct of a sexual nature when:

- submission to that conduct or those advances or requests is made either explicitly or implicitly a term or condition of an individual's employment; or
- submission to or rejection of the conduct or advances or requests by an individual is used as the basis for employment decisions affecting the individual; or
- the conduct or advances or requests have the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of conduct that violates this policy include:

1. unwelcome flirtations, leering, whistling, touching, pinching, assault, blocking normal movement;
2. requests for sexual favors or demands for sexual favors in exchange for favorable treatment;
3. obscene or vulgar gestures, posters or comments;
4. sexual jokes or comments about a person's body, sexual prowess or sexual deficiencies;
5. propositions or suggestive or insulting comments of a sexual nature;
6. derogatory cartoons, posters and drawings;
7. sexually-explicit e-mails, text messages or voicemails;
8. uninvited touching of a sexual nature;
9. unwelcome sexually-related comments;
10. conversation about one's own or someone else's sex life;
11. conduct or comments consistently targeted at only one gender, even if the content is not sexual; and
12. teasing or other conduct directed toward a person because of the person's gender.

### **Reporting Procedures**

If an employee has been subjected to or witnessed conduct which violates this policy, they should immediately report the matter to their supervisor.

### **Investigation Procedures**

Every report of perceived harassment will be fully investigated, and corrective action will be taken where appropriate. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed. All employees must cooperate with all investigations conducted pursuant to this policy.

## **Retaliation Prohibited**

In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to management or who cooperate in the investigations of such reports in accordance with this policy. If an employee has been subjected to any such retaliation, the employee should report it in the same manner in which the employee would report a claim of perceived harassment under this policy.

Violation of this policy including any improper retaliatory conduct will result in disciplinary action, up to and including termination.

## **1-8. Drug-Free and Alcohol-Free Workplace**

To help ensure a safe, healthy and productive work environment for our employees and others, to protect Company property, and to ensure efficient operations, Creative Foam Corporation has adopted a policy of maintaining a workplace free of drugs and alcohol. This policy applies to all employees and other individuals who perform work for the Company.

The unlawful or unauthorized use, abuse, solicitation, theft, possession, transfer, purchase, sale or distribution of controlled substances (including medical marijuana), drug paraphernalia or alcohol by an individual anywhere on Company premises, while on Company business (whether or not on Company premises) or while representing the Company, is strictly prohibited. Employees and other individuals who work for the Company also are prohibited from reporting to work or working while they are using or under the influence of alcohol or any controlled substances, which may impact the employee's ability to perform their job or otherwise pose safety concerns, except when the use is pursuant to a licensed medical practitioner's instructions and the licensed medical practitioner authorized the employee or individual to report to work. However, this exception does not extend any right to report to work under the influence of medical marijuana or to use medical marijuana as a defense to a positive drug test, to the extent the employee is subject to any drug testing requirement, except as permitted by and in accordance with applicable law.

Violation of this policy will result in disciplinary action up to and including termination.

The Company maintains a policy of non-discrimination and will endeavor to make reasonable accommodations to assist individuals recovering from substance and alcohol dependencies and those who have a medical history which reflects treatment for substance abuse conditions. However, employees may not request an accommodation to avoid discipline for a policy violation. We encourage employees to seek assistance before their substance abuse or alcohol misuse renders them unable to perform the essential functions of their jobs or jeopardizes the health and safety of any Company employee, including themselves.

## **1-9. Workplace Violence**

Creative Foam Corporation is strongly committed to providing a safe workplace. The purpose of this policy is to minimize the risk of personal injury to employees and damage to Company and personal property.

Creative Foam Corporation prohibits employees from engaging in any physical confrontation with a violent or potentially violent individual. Creative Foam Corporation does expect and encourage employees to exercise reasonable judgment in identifying potentially dangerous situations.

## **Prohibited Conduct**

Threats, threatening language or any other acts of aggression or violence made toward or by any Company employee will not be tolerated. For purposes of this policy, a threat includes any verbal or physical harassment or abuse, any attempt at intimidating or instilling fear in others, menacing gestures, flashing of weapons, stalking or any other hostile, aggressive, injurious or destructive action undertaken for the purpose of domination or intimidation. To the extent permitted by law, employees and visitors are prohibited from carrying weapons onto Company premises.

## **Procedures for Reporting a Threat**

All potentially dangerous situations, including threats by co-workers, should be reported immediately to any member of management. Reports of threats may be maintained confidential to the extent maintaining confidentiality does not impede Creative Foam Corporation's ability to investigate and respond to the complaints. All threats will be promptly investigated. All employees must cooperate with all investigations. No employee will be subjected to retaliation, intimidation or disciplinary action as a result of reporting a threat in good faith under this policy.

If the Company determines, after an appropriate good faith investigation, that someone has violated this policy, the Company will take appropriate corrective action.

If the employee is the recipient of a threat made by an outside party, that employee should follow the steps detailed in this section. It is important for the Company to be aware of any potential danger in its facilities. Indeed, the Company wants to take effective measures to protect everyone from the threat of a violent act by employees or by anyone else.

## Section 2 - Operational Policies

### 2-1. Employee Classifications

For purposes of this handbook, all Creative Foam Corporation employees fall within one of the classifications below.

**Full-Time Employees** - Employees who regularly work at least 30 hours per week who were not hired on a short-term basis.

**Part-Time Employees** - Employees who regularly work fewer than 30 hours per week who were not hired on a short-term basis.

**Short-Term Employees** - Employees who were hired for a specific short-term project, or on a short-term intern, freelance, or temporary basis. Short-Term employees generally are not eligible for Company benefits, but are eligible to receive statutory benefits.

In addition to the above classifications, employees are categorized as either "**exempt**" or "**non-exempt**" for purposes of federal and state wage and hour laws. Employees classified as exempt do not receive overtime pay and receive the same salary regardless of hours worked. Employees will be informed of these classifications upon hire and informed of any subsequent changes to the classifications.

### 2-2. Employee Service Credit

Length of service refers to the length of time that employees spend as active full-time or part-time direct employees of Creative Foam Corporation. Service begins on the day they become direct full-time or part-time employees. This generally does not include time spent as a contract or temporary employee prior to direct hire by Creative Foam Corporation.

Length of service may be used in determining certain employee benefits, such as time-off benefits.

Rehired employees will not lose credit for prior service with the Company provided their last day of prior service was within 6 months of again becoming an active direct employee.

### 2-3. Probationary Periods

All new full-time and part-time employees are subject to a 90-day probationary period prior to qualifying for certain employment benefits such as paid holidays and the use of paid time off.

For workers assigned to Creative Foam through a staffing agency, the Company will make an employment decision within 6 months of placement to either direct hire or release from assignment. When direct hired, these employees will be given credit for their time worked at Creative Foam towards the satisfaction of their probationary period.

## 2-4. Working Hours and Schedule

Creative Foam Corporation is normally open for business from 8 am to 5 pm, Monday through Friday, however, business needs may require employees to work outside of those standard hours.

Employees will be assigned a work schedule and will be expected to begin and end work according to the schedule. To accommodate the needs of the business, the Company may need to change individual work schedules on either a short-term or long-term basis.

Employees will be provided meal and rest periods as required by law. A supervisor will provide further details as needed.

## 2-5. Timekeeping Procedures

Non-exempt employees must record their actual time worked for legal compliance purposes. Non-exempt employees must record the time work begins and ends, as well as the beginning and ending time of any departure from work for any non-work-related reason. The Company's HRIS system will be used for timekeeping activities.

Altering, falsifying or tampering with time records is prohibited and subjects the employee to discipline, up to and including termination.

Exempt employees are required to report full days of absence from work for reasons such as leaves of absence, sick leave or personal business.

Non-exempt employees should not start work until their scheduled starting time and should work until their scheduled ending time unless prior arrangements have been made with their supervisors.

It is the employee's responsibility to review time records daily to confirm the accuracy of all time recorded. Any errors in the time record should be reported immediately to a supervisor, who will attempt to correct legitimate errors.

## 2-6. Overtime

When Creative Foam Corporation experiences periods of extremely high activity, additional work may be required. Supervisors are responsible for monitoring business activity and requesting or requiring overtime work when necessary. Effort will be made to provide employees with adequate advance notice in such situations. Non-exempt employees may work overtime only with prior management authorization. Any non-exempt employee who works overtime without authorization may be subject to disciplinary action up to and including termination.

Any non-exempt employee who works overtime will be compensated at the rate of one and one-half times (1.5) their regular hourly wage for all time worked in excess of 40 hours each workweek, unless otherwise required by applicable law; Sunday overtime is paid at a rate of double the regular hourly wage if Sunday is not an employee's normally scheduled work day. The workweek begins at 12:00 a.m. on Sunday and ends at 11:59 p.m. on the following Saturday. Overtime pay is calculated based on actual hours worked. Paid time off and holidays will be considered hours worked for purposes of performing overtime calculations.

## 2-7. Your Paycheck

It is Creative Foam Corporation's policy and practice to accurately compensate employees and to do so in compliance with all applicable state and federal laws. Employees should review pay stubs promptly to identify and report any errors.

Paychecks will be issued via direct deposit to all employees. Employees can access pay stubs and make changes to their direct deposit information via the self-service area of the payroll system.

Salaried Employees will be paid bi-weekly for all time worked during the current two-week pay period.

Hourly employees will be paid weekly for all time worked during the previous weekly pay period.

Payroll stubs itemize deductions made from gross earnings. By law, Creative Foam Corporation is required to make deductions for Social Security, federal income tax and any other appropriate taxes. These required deductions may also include any court-ordered garnishments.

If there is an error in any employee's pay, the employee should bring the matter to the attention of their supervisor or the Payroll Department immediately, so the Company can resolve the matter.

## 2-8. Salary Advances

Creative Foam Corporation does not permit pay advances, loans or pay against accrued paid time off.

## 2-9. Safe Harbor Policy for Exempt Employees

Those classified as exempt salaried employees will receive a salary which is intended to compensate them for all hours they may work for Creative Foam Corporation. This salary will be established at the time of hire or classification as an exempt employee. While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of work performed.

However, unless state law provides otherwise, deductions may be made to accrued leave for full- or partial-day absences for personal reasons, sickness or disability.

If employees believe they have been subject to any improper deductions, they should immediately report the matter to a supervisor.

## 2-10. Your Employment Records

In order to obtain their positions, employees have provided personal information, such as addresses and telephone numbers. This information is contained in their personnel files.

Employees should keep their personnel files up to date by informing Human Resources of any changes and/or making the necessary updates within the self-service area of the payroll system. Employees also should inform Human Resources of any specialized training or skills they acquire, as well as any changes to any required visas. Unreported changes of address, marital status, etc. can affect withholding tax and benefit coverage.

Further, an "out of date" emergency contact or an inability to reach employees in a crisis could cause a severe health or safety risk or other significant problem.

## 2-11. Lockers

The Company may provide employees with individual lockers in which they may keep personal property protected against theft although not against authorized inspections. The employee is responsible for keeping their locker clean. The Company reserves the right to inspect the locker for safety, security, and sanitary purposes without notice or consent of the employee. Employees should have no expectation of privacy in the lockers. Items such as flammable materials, illicit drugs, alcohol, firearms, inappropriate material or items in violation of the Harassment, including Sexual Harassment, and Discrimination policies, etc., shall not be kept in lockers. The Company is not responsible for the loss of personal property.

## 2-12. Job Postings

Creative Foam Corporation is dedicated to assisting employees in managing their careers and reaching their professional goals through promotion and transfer opportunities. This policy outlines the online job posting program in place for all employees. To be eligible to apply for an open position, employees must meet the following requirements:

- be a current, regular, full-time or part-time employee;
- maintain a performance rating of satisfactory or above;
- not be on conduct/performance-related probation or warning; and
- meet the job qualifications listed in the job posting

If employees find a position of interest on the job posting website and they meet the eligibility requirements, an online job posting application must be completed in order to be considered for the position. Not all positions are guaranteed to be posted. The Company reserves the right to seek applicants solely from outside sources or to post positions internally and externally simultaneously.

## 2-13. Performance Review

Depending on the employee's position and classification, Creative Foam Corporation endeavors to review performance annually. However, a positive performance evaluation does not guarantee an increase in salary, a promotion or continued employment. Compensation increases and the terms and conditions of employment, including job assignments, transfers, promotions, and demotions, are determined by and at the discretion of management.

In addition to annual formal performance evaluations, the Company encourages employees and supervisors to discuss job performance on a frequent and ongoing basis.

## 2-14. Employment Terminations

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

- a. Resignation - voluntary employment termination initiated by an employee.
- b. Discharge - involuntary employment termination initiated by the organization.
- c. Layoff - involuntary employment termination initiated by the organization for no disciplinary reasons.

In the event it occurs, the Company will give employees as much notice of layoff as business conditions allow and in accordance with applicable laws.

## 2-15. Artificial Intelligence

The Company recognizes that the use of AI tools can potentially assist employees with the performance of job duties. However, there are many risks. To ensure the protection of confidential information and the integrity of our operations, as set forth below, all employees who wish to use AI tools must receive management approval and, if granted, comply with the below best practices.

**Evaluation of AI tools.** Employees must evaluate the utility and security of any AI tool before using it. This includes reviewing the tool's security features, terms of service, and privacy policy. Employees should also review the reputation of the tool developer and any third-party services used by the tool. But most importantly, employees **must** receive management approval prior to using any AI tool after explaining the manner in which it will be used and the benefits to the business.

**Protection of confidential data.** In using any AI tool, employees must not upload or share any confidential, proprietary, or protected data without prior written approval from management. This includes data related to customers, employees, or partners. Similarly, employees must ensure any AI tool does not utilize confidential or copyrighted information of a third party.

**Access control.** Employees must not give access to any AI tools approved for business use to anyone outside the company without prior approval from management and implementation of processes as required to meet security compliance requirements. This includes sharing login credentials or other sensitive information with third parties.

**Compliance with security policies.** Employees must apply the same security best practices we use for all company and customer data. This includes using strong passwords, keeping software up-to-date, and following the Company's data retention and disposal policies.

## Section 3 - Benefits

### 3-1. Benefits Overview

In addition to good working conditions and competitive pay, it is Creative Foam Corporation's policy to provide a combination of supplemental benefits to all eligible employees. In keeping with this goal, each benefit program has been carefully selected. These benefits include time-off benefits, such as vacations and holidays, life insurance and other benefits. We are constantly reviewing and evaluating our benefit programs and policies to better meet present and future needs and requirements. These policies have been developed over the years and continue to be refined to keep up with changing times.

The next few pages contain a brief outline of the benefits programs Creative Foam Corporation provides employees and their families. Of course, the information presented here is intended to serve only as a guide.

The descriptions of the insurance and other plan benefits merely highlight certain aspects of the applicable plans for general information only. The details of those plans are spelled out in the annually distributed benefit booklets and in official plan documents, which are available for review upon request from Human Resources. Additionally, the provisions of the plans, including eligibility and benefits provisions, are summarized in the summary plan descriptions ("SPDs") for the plans (which may be revised from time to time). In the determination of benefits and all other matters under each plan, the terms of the official plan documents shall govern over the language of any descriptions of the plans, including the SPDs and this handbook.

Further, Creative Foam Corporation retains full discretionary authority to interpret the terms of the plans, as well as with regard to administrative matters arising in connection with the plans and all issues concerning benefit terms, eligibility and entitlement.

While the Company intends to maintain these employee benefits, it reserves the absolute right to modify, amend or terminate these benefits at any time and for any reason.

If employees have any questions regarding benefits, they should contact Human Resources.

### 3-2. Paid Holidays

Eligible employees will be paid for the following holidays:

- New Year's Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve

Christmas Day

New Year's Eve

Floating Holiday

When holidays fall or are celebrated on a regular work day, eligible non-probationary employees will receive one (1) day's pay at their regular straight-time rate. Eligible part-time employees will only be paid when one of the above holidays falls on their regularly scheduled work day, and the pay will be commensurate with their usual number of scheduled hours for that day.

Eligible employees who are required to work on a holiday may receive a make-up holiday at management's discretion.

If a holiday falls within an eligible employee's approved vacation period, the eligible employee will not be charged for the vacation day.

If a holiday falls within a jury duty or bereavement leave, the eligible employee will be paid for the holiday (at the regular straight-time rate).

Unexcused absences on work days falling directly before or after a holiday will result in the loss of holiday pay.

### 3-3. Paid Time Off

Creative Foam Corporation appreciates how hard employees work and recognizes the importance of providing time for rest and relaxation. Creative Foam Corporation fully encourages employees to get this rest by taking their available paid time off.

#### VACATION ELIGIBILITY

The amount of vacation time an employee is eligible to take during the calendar year is dependent upon their length of service with the Company and their employment type.

A. For full-time employees, the following vacation schedule will be used:

<u>Timing and Length of Service</u>	<u>Vacation Amount</u>
Current Year for Jan - Sep hire date	Prorated amount based on hire date
Current Year for Oct-Dec hire date	No vacation until following year
Jan 1 <sup>st</sup> following date of hire	2 weeks (80 Hours)
Jan 1 <sup>st</sup> of year in which 5 years is reached	3 weeks (120 Hours)
Jan 1 <sup>st</sup> of year in which 10 years is reached	4 weeks (160 Hours)
Jan 1 <sup>st</sup> of year in which 20 years is reached	5 weeks (200 Hours)

B. For part-time employees, vacation time will be pro-rated using the above amounts based on the average number of hours worked per week in the previous calendar year or applicable current partial-year period.

C. Computing Length of Service

1. For purposes of determining vacation eligibility, length of service shall be calculated from the employee's hire date.
2. Temporary employees are not eligible for paid vacations.
3. Co-op or intern program employees who become regular employees, without a lapse in service, will be given full credit for time worked from their date of hire.

#### SCHEDULING VACATIONS

- A. At the end of each year, vacation buckets for the following year will be created in the Company's HRIS system for each employee.
- B. Vacations are requested in the Company's HRIS system and require approval from the employee's immediate supervisor.
- C. When the Company observes a holiday during an employee's vacation, the employee will not be charged with a vacation day for the holiday.

#### TERMINATING EMPLOYEES

Employees who terminate employment will receive pro-rated vacation pay based on the time worked in the calendar year in which they terminate minus what they have used up to that point.

#### LEAVE OF ABSENCE

If an employee is on an approved Leave of Absence, length of service for vacation eligibility continues.

### 3-4. Jury Duty

Creative Foam Corporation realizes that it is the obligation of all United States citizens to serve on a jury when summoned to do so. All employees will be allowed time off to perform such civic service as required by law. Employees are expected, however, to provide proper notice of a request to perform jury duty and verification of their service.

Employees also are expected to keep management informed of the expected length of jury duty service and to report to work for the major portion of the day if excused by the court. If the required absence presents a serious conflict for management, employees may be asked to try to postpone jury duty.

Employees on jury duty leave will be paid for their jury duty service in accordance with state law. Non-exempt employees will be paid at their regular hourly rate for work time missed due to jury duty minus the amount paid to them by the court. Exempt employees will be paid their full salary for any week in which time is missed due to jury duty if work is performed for the Company during such week.

### 3-5. Voting Leave

In the event an employee does not have sufficient time outside of working hours to vote in an official government election, they may take off enough working time to vote. Such time will be paid. This time should be taken at the beginning or end of the regular work schedule when possible. Supervisors should be notified as far in advance as possible of the need for time away from work for this purpose, and only the amount of time needed for voting should be taken.

### 3-6. Bereavement Leave

In the event of the death of a member of the immediate family of an employee, the Company will extend all appropriate assistance to the employee. If a full-time employee loses a close relative, they will be allowed up to three days' absence with pay. Additional unpaid bereavement time off may be granted on a case by case basis.

For the purposes of this policy, a close relative includes a spouse, child, parent, sibling, step-child, step-parent, grandparent, mother-in-law, father-in-law, daughter-in-law, son-in-law, grandchild.

Employees must inform their supervisor prior to commencing bereavement leave. In administering this policy, verification of death may be required.

### 3-7. Workers' Compensation

On-the-job injuries are covered by Creative Foam Corporation's Workers' Compensation Insurance Policy, which is provided at no cost. If employees are injured on the job, no matter how slightly, they should report the incident immediately to their supervisor. Failure to follow Company procedures may affect the ability of employees to receive Workers Compensation benefits.

Employees who need to miss work due to a workplace injury will also be subject to the Company's other medical leave of absence rules such as FMLA, which will run concurrently. See the Leave of Absence section of this handbook for more information.

### 3-8. Lactation Accommodations

Creative Foam Corporation will provide a reasonable amount of break time to accommodate employees desiring to express breast milk for their child, in accordance with and to the extent required by applicable law. Effort should be made to have this break time, if possible and permitted by applicable law, to run concurrently with already provided rest and meal periods.

The Company will make reasonable efforts to provide employees with the use of a room or location in close proximity to the employee's work area, other than a bathroom, to express milk in private. This location may be the employee's private office, if applicable. Please consult Human Resources with questions regarding this policy.

Employees should advise their supervisors if they need break time and an area for this purpose. Employees will not be discriminated against or retaliated against for exercising their rights under this policy.

### 3-9. Insurance Programs

Full-time employees may participate in Creative Foam Corporation's insurance programs. Under these plans, eligible employees will receive comprehensive health and other insurance coverage for themselves and their families, as well as other benefits.

Upon becoming eligible to participate in these plans, employees will receive summary plan descriptions (SPDs) describing the benefits in greater detail. Please refer to the SPDs for detailed plan information. Feel

free to contact Human Resources with any further questions.

### 3-10. Short Term Disability Policy

Creative Foam Corporation provides monetary short-term disability benefits to full-time employees. These monetary benefits are inclusive of any monetary workers' compensation or statutory short-term disability benefits.

This is not a leave of absence provision. Employees who will be out of work must also request a leave of absence. See the Leave of Absence sections of this handbook for more information. Employees will be required to submit medical certification as requested by the Company. Required medical certification under this policy may differ from the medical certification required for any leave of absence requested.

### 3-11. Long-Term Disability Benefits

Full-time employees are provided with a Long-Term Disability plan, subject to all terms and conditions of the agreement between Creative Foam Corporation and the insurance carrier.

This is solely a monetary benefit and not a leave of absence policy. Employees who will be out of work are subject to the Company's medical leave of absence policies. See the Leave of Absence section of this handbook for more information.

### 3-12. Employee Assistance Program

Creative Foam Corporation provides an Employee Assistance Program which offers qualified counselors to help employees cope with personal problems they may be facing. Help with many other lifestyle items is also provided, such as financial education and legal assistance. Further details can be obtained from your supervisor or Human Resources.

### 3-13. Employee Referral Awards

This program is intended to promote the referral of potential employees by offering a cash award bonus (minus applicable taxes) to current direct employees of Creative Foam Corporation who provide the Company with a referral of a qualified candidate to an approved, open position as a direct Creative Foam Corporation employee.

#### ELIGIBILITY

1. Current direct employees of Creative Foam Corporation (on payroll) may participate.
2. Candidates whose information is already on file or are currently in the interview process through another source will not be eligible for this program. For example, we received the resume from a contract agency, etc.
3. Referred candidates must be hired as direct employees (not as contract employees) by Creative Foam Corporation.
4. Contract employees who are offered direct positions are not eligible as referrals under this program, i.e. employees referred and hired contract and then hired direct at a later date.

5. Referrals must be employed for six months before the award will be paid out.
6. Bonus is paid out through payroll and applicable taxes will be withheld.
7. The referred and referring employees must be employed at Creative Foam at the time the bonus is paid.

## PAYMENT

The \$1,000.00 bonus will be paid after six months of employment has successfully been completed by the referred employee.

Human Resources will notify the payroll department as to when the payment should be made after receipt of a completed referral bonus request form.

The Company reserves the right to amend, modify or discontinue this program at any time; however, referrals already on record will continue to be processed under the program.

## 3-14. Retirement Plan

Eligible employees are able to participate in Creative Foam Corporation's 401(k) retirement plan. Plan participants may make pre-tax contributions to a 401(k) retirement account.

Upon becoming eligible to participate in this plan, employees will receive an SPD describing the plan in greater detail. Please refer to the SPD for detailed plan information. Feel free to speak to Human Resources if there are any further questions.

## 3-15. Safety Glasses and Shoes Reimbursement

**Safety Glasses Reimbursement:** Creative Foam will reimburse employees for prescription safety glasses in the amount of \$200.00 every other calendar year.

**Safety Shoes Reimbursement:** Creative Foam will reimburse employees for safety shoes if required for their job in the amount of \$200.00 every other calendar year.

## 3-16. Educational Assistance Program

Creative Foam Corporation is committed to assisting employees who wish to continue their education when it supports personal development and is beneficial to the Company.

Full-time employees who have completed six months of service are eligible to participate in the program.

The Company will reimburse 100% of tuition and fees up to a maximum of \$5,000 per academic year for continuing education through an accredited school or program. A grade of "C" or better is required for reimbursement.

An employee whose employment terminates prior to completion of a course will not be eligible for reimbursement.

Eligible employees interested in utilizing this program should contact Human Resources.

### 3-17. Service Awards

Creative Foam appreciates each and every employee and values their service.

Employees who reach certain service length milestones with the Company will be recognized for their service by receiving certificates of appreciation as well as the opportunity to choose from a selection of gifts intended for their personal enjoyment.

### 3-18. Dependent Scholarship Program

Creative Foam Corporation sponsors the Dr. Peter T. Swallow Founders Education Fund which provides college scholarships to selected eligible dependent children of Creative Foam employees. This program is administered by Scholarship America on behalf of Creative Foam, and applications are distributed in the spring of each year.

## Section 4 - Leaves of Absence

### 4-1. Personal Leave

If employees are ineligible for any other Company leave of absence, Creative Foam Corporation, under certain circumstances, may grant a personal leave of absence without pay. A written request for a personal leave should be presented to the employee's supervisor or Human Resources at least two (2) weeks before the anticipated start of the leave when possible. If the leave is requested for medical reasons and employees are not eligible for leave under the federal Family and Medical Leave Act (FMLA) or any state leave law, medical certification also must be submitted. The request will be considered on the basis of staffing requirements and the length and reasons for the requested leave, as well as performance and attendance records. Normally, a leave of absence will be granted for a period of up to 90 days. However, a personal leave may be extended if, prior to the end of leave, employees submit a written request for an extension to management or Human Resources and the request is granted. During the leave, employees will not earn vacation, personal days, or sick days. The Company will continue health insurance coverage during the leave if employees submit their share of the monthly premium payments to the Company in a timely manner or arrange for payment of missed deductions upon return to work, subject to the terms of the plan documents.

When the employees anticipate returning to work, they should notify management or Human Resources at least one (1) week before the end of the leave.

Upon completion of the personal leave of absence, the Company will attempt to return employees to their original job or a similar position, subject to prevailing business considerations. Reinstatement, however, is not guaranteed.

Failure to advise management or Human Resources of availability to return to work, failure to return to work when notified or continued absence from work beyond the time approved by the Company will be considered a voluntary resignation of employment.

Personal leave runs concurrently with any Company-provided Short-Term Disability benefit.

### 4-2. Military Leave

If employees are called into active military service or enlist in the uniformed services, they will be eligible to receive an unpaid military leave of absence. To be eligible for military leave, employees must provide management or Human Resources with advance notice of service obligations unless they are prevented from providing such notice by military necessity or it is otherwise impossible or unreasonable to provide such notice. Provided the absence does not exceed applicable statutory limitations, employees will retain reemployment rights and accrue seniority and benefits in accordance with applicable federal and state laws. Employees should ask management or Human Resources for further information about eligibility for Military Leave.

If employees are required to attend yearly Reserves or National Guard duty, they can apply for an unpaid temporary military leave of absence not to exceed the number of days allowed by law (including travel). They should give management or Human Resources as much advance notice of their need for military leave as possible so that the Company can maintain proper coverage while they are away.

## 4-3. Family and Medical Leave

### The Leave Policy

Employees may be entitled to a leave of absence under the Family and Medical Leave Act (FMLA). This policy provides information concerning FMLA entitlements and obligations employees may have during such leaves. If employees have any questions concerning FMLA leave, they should contact Human Resources.

#### I. Eligibility

FMLA leave is available to eligible employees. To be eligible, an employee must: 1) have been employed by the Company for at least 12 months (which need not be consecutive); 2) have been employed by the Company for at least 1,250 hours of service during the 12-month period immediately preceding the commencement of the leave; and 3) be employed at a worksite where 50 or more employees are located within 75 miles of the worksite.

#### II. Entitlements

As described below, the FMLA provides eligible employees with a right to leave, health insurance benefits and, with some limited exceptions, job restoration.

##### A. Basic FMLA Leave Entitlement

The FMLA provides eligible employees up to 12 workweeks of unpaid leave for certain family and medical reasons during any calendar year. Leave may be taken for any one, or for a combination, of the following reasons:

- To care for the employee's child after birth or placement for adoption or foster care;
- To care for the employee's spouse, son, daughter or parent who has a **serious health condition**;
- For the employee's own serious health condition (including any period of incapacity due to pregnancy, prenatal medical care or childbirth) that makes the employee unable to perform one or more of the essential functions of their job; and/or
- Because of any **qualifying exigency** arising out of the fact that the employee's spouse, son, daughter or parent is a military member on covered active duty or called to covered active duty status (or has been notified of an impending call or order to covered active duty) in the Reserves component of the Armed Forces for deployment to a foreign country in support of a contingency operation or Regular Armed Forces for deployment to a foreign country.

A **serious health condition** is an illness, injury, impairment or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents employees from performing the functions of their job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

**Qualifying military exigencies** may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, caring for

the parents of the military member on covered active duty or attending post-deployment reintegration briefings.

## **B. Additional Military Family Leave Entitlement (Injured Servicemember Leave)**

In addition to the basic FMLA leave entitlement discussed above, an eligible employee who is the spouse, son, daughter, parent or next of kin of a **covered servicemember** is entitled to take up to 26 weeks of leave during a single 12-month period to care for the servicemember with a serious injury or illness. Leave to care for a servicemember shall only be available during a single 12-month period and, when combined with other FMLA-qualifying leave, may not exceed 26 weeks during the single 12-month period. The single 12-month period begins on the first day an eligible employee takes leave to care for the injured servicemember.

A "**covered servicemember**" is a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status or is on the temporary retired list, for a serious injury or illness. These individuals are referred to in this policy as "current members of the Armed Forces." **Covered servicemembers** also include a veteran who is discharged or released from military services under condition other than dishonorable at any time during the five years preceding the date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation or therapy for a serious injury or illness. These individuals are referred to in this policy as "covered veterans."

The FMLA definitions of a "serious injury or illness" for current Armed Forces members and covered veterans are distinct from the FMLA definition of "serious health condition" applicable to FMLA leave to care for a covered family member.

## **C. Intermittent Leave and Reduced Leave Schedules**

FMLA leave will usually be taken for a period of consecutive days, weeks or months. However, employees are also entitled to take FMLA leave intermittently or on a reduced leave schedule when medically necessary due to a serious health condition of the employee or covered family member or the serious injury or illness of a covered servicemember. Qualifying exigency leave also may be taken on an intermittent basis.

## **D. No Work While on Leave**

The taking of another job while on family/medical leave or any other authorized leave of absence is grounds for immediate termination, to the extent permitted by law.

## **E. Protection of Group Health Insurance Benefits**

During FMLA leave, eligible employees are entitled to receive group health plan coverage on the same terms and conditions as if they had continued to work.

## **F. Restoration of Employment and Benefits**

At the end of FMLA leave, subject to some exceptions including situations where job restoration of "key employees" will cause the Company substantial and grievous economic injury, employees generally have a right to return to the same or equivalent positions with equivalent pay, benefits and other employment terms. The Company will notify employees if they qualify as "key employees," if it intends to deny reinstatement, and of their rights in such instances. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an eligible employee's FMLA leave.

## **G. Notice of Eligibility for, and Designation of, FMLA Leave**

Employees requesting FMLA leave are entitled to receive written notice from the Company telling them whether they are eligible for FMLA leave and, if not eligible, the reasons why they are not eligible. When

eligible for FMLA leave, employees are entitled to receive written notice of: 1) their rights and responsibilities in connection with such leave; 2) the Company's designation of leave as FMLA-qualifying or non-qualifying, and if not FMLA-qualifying, the reasons why; and 3) the amount of leave, if known, that will be counted against the employee's leave entitlement.

The Company may retroactively designate leave as FMLA leave with appropriate written notice to employees. In all cases where leaves qualify for FMLA protection, the Company and employee can mutually agree that leave be retroactively designated as FMLA leave.

### **III. Employee FMLA Leave Obligations**

#### **A. Provide Notice of the Need for Leave**

Employees who take FMLA leave must timely notify the Company of their need for FMLA leave. The following describes the content and timing of such employee notices.

##### **1. Content of Employee Notice**

To trigger FMLA leave protections, employees must inform Human Resources of the need for FMLA-qualifying leave and the anticipated timing and duration of the leave, if known. Employees may do this by either requesting FMLA leave specifically, or explaining the reasons for leave so as to allow the Company to determine that the leave is FMLA-qualifying. For example, employees might explain that:

- a medical condition renders them unable to perform the functions of their job;
- they are pregnant;
- they have been hospitalized overnight;
- they or a covered family member are under the continuing care of a health care provider;
- the leave is due to a qualifying exigency caused by a military member being on covered active duty or called to covered active duty status to a foreign country; or
- if the leave is for a family member, that the condition renders the family member unable to perform daily activities or that the family member is a covered servicemember with a serious injury or illness.

Calling in "sick," without providing the reasons for the needed leave, will not be considered sufficient notice for FMLA leave under this policy. Employees must respond to the Company's questions to determine if absences are potentially FMLA-qualifying.

If employees fail to explain the reasons for FMLA leave, the leave may be denied. When employees seek leave due to FMLA-qualifying reasons for which the Company has previously provided FMLA-protected leave, they must specifically reference the qualifying reason for the leave or the need for FMLA leave.

##### **2. Timing of Employee Notice**

Employees must provide 30 days' advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, or the approximate timing of the need for leave is not foreseeable, employees must provide the Company notice of the need for leave as soon as practicable under the facts and circumstances of the particular case. Employees who fail to give 30 days' notice for foreseeable leave without a reasonable excuse for the delay, or otherwise fail to satisfy FMLA notice obligations, may have FMLA leave delayed or denied.

#### **B. Cooperate in the Scheduling of Planned Medical Treatment (Including Accepting Transfers to Alternative Positions) and Intermittent Leave or Reduced Leave Schedules**

When planning medical treatment, employees must consult with the Company and make a reasonable effort to schedule treatment so as not to unduly disrupt the Company's operations, subject to the approval of the employee's health care provider. Employees must consult with the Company prior to the scheduling of treatment to work out a treatment schedule that best suits the needs of both the Company and the employees, subject to the approval of the employee's health care provider. If employees providing notice of the need to take FMLA leave on an intermittent basis for planned medical treatment neglect to fulfill this obligation, the Company may require employees to attempt to make such arrangements, subject to the approval of the employee's health care provider.

When employees take intermittent or reduced work schedule leave for foreseeable planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition or to care for a covered servicemember, the Company may temporarily transfer employees, during the period that the intermittent or reduced leave schedules are required, to alternative positions with equivalent pay and benefits for which the employees are qualified and which better accommodate recurring periods of leave.

When employees seek intermittent leave or a reduced leave schedule for reasons unrelated to the planning of medical treatment, upon request, employees must advise the Company of the reason why such leave is medically necessary. In such instances, the Company and employee shall attempt to work out a leave schedule that meets the employee's needs without unduly disrupting the Company's operations, subject to the approval of the employee's health care provider.

### **C. Submit Medical Certifications Supporting Need for FMLA Leave (Unrelated to Requests for Military Family Leave)**

Depending on the nature of FMLA leave sought, employees may be required to submit medical certifications supporting their need for FMLA-qualifying leave. As described below, there generally are three types of FMLA medical certifications: an **initial certification**, a **recertification** and a **return to work/fitness for duty certification**.

It is the employee's responsibility to provide the Company with timely, complete and sufficient medical certification. Whenever the Company requests employees to provide FMLA medical certifications, employees must provide the requested certifications within 15 calendar days after the Company's request, unless it is not practicable to do so despite the employee's diligent, good faith efforts. The Company will inform employees if submitted medical certifications are incomplete or insufficient and provide employees at least seven calendar days to cure deficiencies. The Company will deny FMLA leave to employees who fail to timely cure deficiencies or otherwise fail to timely submit requested medical certifications.

The Company may contact the employee's health care provider to authenticate or clarify completed and sufficient medical certifications. The Company may deny FMLA leave if certifications remain unclear.

Whenever the Company deems it appropriate to do so, it may waive its right to receive timely, complete and/or sufficient FMLA medical certifications.

#### **1. Initial Medical Certifications**

Employees requesting leave because of their own, or a covered family member's, serious health condition, or to care for a covered servicemember, must supply medical certification supporting the need for such leave from their health care provider or, if applicable, the health care provider of their covered family or service member. If employees provide at least 30 days' notice of medical leave, they should submit the medical certification before leave begins. A new initial medical certification will be required on an annual basis for serious medical conditions lasting beyond a single leave year.

If the Company has reason to doubt initial medical certifications, it may require employees to obtain a second opinion at the Company's expense. If the opinions of the initial and second health care providers differ, the Company may, at its expense, require employees to obtain a third, final and binding certification from a health care provider designated or approved jointly by the Company and the employee.

## **2. Medical Recertifications**

Depending on the circumstances and duration of FMLA leave, the Company may require employees to provide recertification of medical conditions giving rise to the need for leave. The Company will notify employees if recertification is required and will give employees at least 15 calendar days to provide medical recertification.

## **3. Return to Work/Fitness for Duty Medical Certifications**

Unless notified that providing such certifications is not necessary, employees returning to work from FMLA leaves that were taken because of their own serious health conditions that made them unable to perform their jobs, must provide the Company with medical certification confirming they are able to return to work and the their ability to perform the essential functions of their position, with or without reasonable accommodation. The Company may delay and/or deny job restoration until employees provide return to work/fitness for duty certifications.

## **D. Submit Certifications Supporting Need for Military Family Leave**

Upon request, the first time employees seek leave due to qualifying exigencies arising out of the covered active duty or call to covered active duty status of a military member, the Company may require employees to provide: 1) a copy of the military member's active duty orders or other documentation issued by the military indicating the military member is on covered active duty or call to covered active duty status and the dates of the military member's covered active duty service; and 2) a certification from the employee giving information concerning the nature of the qualifying exigency for which leave is requested. Employees shall provide a copy of new active duty orders or other documentation issued by the military for leaves arising out of qualifying exigencies for a different covered active duty or call to covered active duty status of the same or a different military member.

When leave is taken to care for a covered servicemember with a serious injury or illness, the Company may require employees to obtain certifications completed by an authorized health care provider of the covered servicemember. In addition, and in accordance with the FMLA regulations, the Company may request that the certification submitted by employees supply additional information provided by the employee and/or the covered servicemember confirming entitlement to such leave.

## **E. Substitute Paid Leave for Unpaid FMLA Leave**

Employees may use any accrued paid time while taking unpaid FMLA leave.

The substitution of paid time for unpaid FMLA leave time does not extend the length of FMLA leave and the paid time will run concurrently with the employee's FMLA entitlement.

Leaves of absence taken in connection with a disability leave plan or workers' compensation injury/illness shall run concurrently with any FMLA leave entitlement.

## **F. Pay Employee's Share of Health Insurance Premiums**

During FMLA leave, employees are entitled to continued group health plan coverage under the same conditions as if they had continued to work. Unless the Company notifies employees of other arrangements, whenever employees are receiving pay from the Company during FMLA leave, the Company will deduct the

employee portion of the group health plan premium from the employee's paycheck in the same manner as if the employee was actively working.

If FMLA leave is unpaid, employees must pay their portion of group health plan premiums through make up deductions from pay upon return to work.

If employees do not return to work, they will be required to reimburse the Company for the cost of the premiums the Company paid for maintaining coverage during their unpaid FMLA leave.

#### **IV. Questions and/or Complaints about FMLA Leave**

If you have questions regarding this FMLA policy, please contact Human Resources. The Company is committed to complying with the FMLA and, whenever necessary, shall interpret and apply this policy in a manner consistent with the FMLA.

The FMLA makes it unlawful for employers to: 1) interfere with, restrain or deny the exercise of any right provided under FMLA; or 2) discharge or discriminate against any person for opposing any practice made unlawful by FMLA or involvement in any proceeding under or relating to FMLA. If employees believe their FMLA rights have been violated, they should contact Human Resources immediately. The Company will investigate any FMLA complaints and take prompt and appropriate remedial action to address and/or remedy any FMLA violation. If unresolved with the employer, Employees may file FMLA complaints with the United States Department of Labor or may bring private lawsuits alleging FMLA violations.

#### **V. Coordination of FMLA Leave with Other Leave Policies**

The FMLA does not affect any federal, state or local law prohibiting discrimination, or supersede any State or local law that provides greater family or medical leave rights. For additional information concerning leave entitlements and obligations that might arise when FMLA leave is either not available or exhausted, please consult the Company's other leave policies in this handbook or contact Human Resources.

#### **VI. FMLA and PTO**

When intermittent FMLA is in place, employees must use all available paid time off during such leave.

When blocks of FMLA are approved, employees are not required to use paid time off but may choose to do so.

## Section 5 - General Standards of Conduct

### 5-1. Workplace Conduct

Creative Foam Corporation endeavors to maintain a positive work environment. Each employee plays a role in fostering this environment. Accordingly, we all must abide by certain rules of conduct, based on honesty, common sense and fair play.

Because everyone may not have the same idea about proper workplace conduct, it is helpful to adopt and enforce rules all can follow. Unacceptable conduct may subject the offender to disciplinary action, up to and including termination, in the Company's sole discretion. The following are examples of some, but not all, conduct which can be considered unacceptable:

1. Obtaining employment on the basis of false or misleading information.
2. Stealing, removing or defacing Creative Foam Corporation property or a co-worker's property.
3. Disclosure of confidential information.
4. Completing another employee's time records.
5. Violation of safety rules and policies.
6. Violation of Creative Foam Corporation's Drug and Alcohol-Free Workplace Policy.
7. Fighting, threatening or disrupting the work of others or other violations of Creative Foam Corporation's Workplace Violence Policy.
8. Failure to follow lawful instructions of a supervisor.
9. Failure to perform assigned job duties.
10. Sleeping on the job.
11. Violation of the Punctuality and Attendance Policy, including but not limited to irregular attendance, habitual lateness or unexcused absences.
12. Gambling on Company property.
13. Willful or careless destruction or damage to Company assets or to the equipment or possessions of another employee.
14. Wasting work materials.
15. Performing work of a personal nature during working time.
16. Violation of the Solicitation and Distribution Policy.
17. Violation of Creative Foam Corporation's Harassment or Equal Employment Opportunity Policies.
18. Violation of the Communication and Computer Systems Policy.
19. Unsatisfactory job performance.
20. Any other violation of Creative Foam Corporation policy.

Obviously, not every type of misconduct can be listed. Note that all employees are employed at-will, and Creative Foam Corporation reserves the right to impose whatever discipline it chooses, or none at all, in a particular instance. The Company will deal with each situation individually and nothing in this handbook should be construed as a promise of specific treatment in a given situation.

The observance of these rules will help to ensure that our workplace remains a safe and desirable place to work.

## 5-2. Punctuality and Attendance

Employees are hired to perform important functions at Creative Foam Corporation. As with any group effort, operating effectively takes cooperation and commitment from everyone. Therefore, attendance and punctuality are very important. Unnecessary absences and lateness are expensive, disruptive and place an unfair burden on fellow employees and Supervisors. We expect excellent attendance from all employees. Excessive absenteeism or tardiness will result in disciplinary action up to and including termination.

We do recognize, however, there are times when absences and tardiness cannot be avoided. In such cases, employees are expected to notify Supervisors as early as possible, but no later than the start of the work day. Asking another employee, friend or relative to give this notice is improper and constitutes grounds for disciplinary action. Employees should call, stating the nature of the situation and its expected duration, for every day of absence.

Unreported absences of three (3) consecutive work days will be considered a voluntary resignation of employment with the Company.

## 5-3. Moonlighting

Outside employment that constitutes a conflict of interest is prohibited.

## 5-4. Smoking

Smoking, including the use of e-cigarettes, is prohibited within Company buildings and in all Company vehicles.

## 5-5. Employee Dress and Personal Appearance

Employees are expected to report to work well groomed, clean, and dressed according to the requirements of their position. Some employees may be required to wear uniforms or safety equipment/clothing. Employees should contact their supervisor for specific information regarding acceptable attire for their position. If employees report to work dressed or groomed inappropriately, they may be prevented from working until they return to work well groomed and wearing the proper attire.

## 5-6. Health and Safety

The health and safety of employees and others on Company property are of critical concern to Creative Foam Corporation. The Company intends to comply with all health and safety laws applicable to our business. To this end, we must rely upon employees to ensure that work areas are kept safe and free of hazardous conditions. Employees are required to be conscientious about workplace safety, including proper operating methods, and recognize dangerous conditions or hazards. Any unsafe conditions or potential hazards should be reported to management immediately. Any suspicion of a concealed danger present on the Company's premises, or in a product, facility, piece of equipment, process or business practice for which the Company is responsible should be brought to the attention of management immediately.

Periodically, the Company may issue rules and guidelines governing workplace health and safety. The Company may also issue rules and guidelines regarding the handling and disposal of hazardous substances and waste. All employees should familiarize themselves with these rules and guidelines, as strict compliance will be expected.

Any workplace injury, accident, or illness must be reported to the employee's supervisor as soon as possible, regardless of the severity of the injury or accident.

## 5-7. Inspections

Creative Foam Corporation reserves the right to require employees while on Company property, to agree to the inspection of their persons, personal possessions and property, personal vehicles parked on Company property, and work areas, to the extent permitted by law. This includes lockers, vehicles, desks, cabinets, work stations, packages, handbags, briefcases and other personal possessions or places of concealment, as well as personal mail sent to the Company. Employees are expected to cooperate in the conducting of any search or inspection.

## 5-8. Operation of Vehicles

All employees authorized to drive Company-owned or leased vehicles or personal vehicles in conducting Company business must possess a current, valid driver's license and an acceptable driving record. Any change in license status or driving record must be reported to management immediately.

Employees must have a valid driver's license in their possession while operating a vehicle on or off Company property. It is the responsibility of every employee to drive safely and obey all traffic, vehicle safety, and parking laws or regulations. Drivers must demonstrate safe driving habits at all times.

Company-owned or leased vehicles may be used only as authorized by management.

### **Portable Communication Device Use While Driving**

Employees who drive on Company business must abide by all state or local laws prohibiting or limiting portable communication device (PCD) use, including cell phones or personal digital assistants, while driving. Further, even if use is permitted, employees may choose to refrain from using any PCD while driving. "Use" includes, but is not limited to, talking or listening to another person or sending an electronic or text message via the PCD.

Regardless of the circumstances, including slow or stopped traffic, if any use is permitted while driving, employees should proceed to a safe location off the road and safely stop the vehicle before placing or accepting a call. If acceptance of a call is absolutely necessary while the employees are driving, and permitted by law, they must use a hands-free option and advise the caller that they are unable to speak at that time and will return the call shortly.

Under no circumstances should employees feel that they need to place themselves at risk to fulfill business needs.

Since this policy does not require any employee to use a PCD while driving, employees who are charged with traffic violations resulting from the use of their PCDs while driving will be solely responsible for all liabilities that result from such actions.

Manual texting and e-mailing while driving are prohibited in all circumstances.

## 5-9. Bulletin Boards

Important notices and items of general interest are posted on Creative Foam Corporation bulletin boards. Employees should make it a practice to review bulletin boards frequently. This will assist employees in keeping up with current Company information. Unless specifically authorized, employees should not post any material on or remove any material from any bulletin boards.

## 5-10. Personal Visits and Telephone Calls

Disruptions during work time can lead to errors and delays. Therefore, personal telephone calls must be kept to a minimum, and should only be conducted before and after work time, or during lunch or break time.

For safety and security reasons, employees should refrain from having personal guests visit or accompany them in Creative Foam Corporation facilities other than the reception areas without prior management consent.

## 5-11. Solicitation and Distribution

To avoid distractions, solicitation by an employee of another employee is prohibited while either employee is on work time. Work time is defined as the time the employee is engaged, or should be engaged, in performing their work tasks for the Company. Solicitation of any kind by non-employees on Company premises is prohibited at all times.

Distribution of advertising material, handbills, printed or written literature of any kind in working areas of the Company is prohibited at all times. Distribution of literature by non-employees on Company premises is prohibited at all times.

## 5-12. Hiring Relatives/Employee Relationships

A familial relationship among employees can create an actual or potential conflict of interest in the employment setting, especially where one relative supervises another relative. To avoid this problem, Creative Foam Corporation may refuse to hire or place a relative in a position where the potential for conflict exists.

In other cases, such as personal relationships where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or discharged from employment, at the discretion of the Company. Accordingly, all parties to any type of intimate personal relationship must inform management.

If two employees marry, become related, or enter into an intimate relationship, they may not remain in a reporting relationship or in positions where one individual may affect the compensation or other terms or conditions of employment of the other individual. The Company generally will attempt to identify other available positions, but if no alternate position is available, the Company retains the right to decide which employee will remain with the Company.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose

relationship with the employee is similar to that of persons who are related by blood or marriage.

### 5-13. Business Expense Reimbursement

Employees will be reimbursed for reasonable approved expenses incurred in the course of business. These expenses must be approved by the employee's Supervisor, and may include air travel, hotels, motels, meals, cab fare, rental vehicles, or gas and car mileage for personal vehicles. All expenses incurred should be submitted in Concur along with the receipts every two weeks.

Employees are expected to exercise restraint and good judgment when incurring expenses. Employees should contact their Supervisor in advance if they have any questions about whether an expense will be reimbursed.

### 5-14. Use of Social Media

Creative Foam Corporation respects the right of any employee to maintain a blog or web page or to participate in a social networking site. However, to protect Company interests and ensure employees focus on their job duties, employees must adhere to the following rules:

Employees may not post on a blog or web page or participate on a social networking platform during work time or at any time with Company equipment or property.

All rules regarding confidential and proprietary business information apply in full to blogs, web pages and social networking platforms. Any information that cannot be disclosed through a conversation, a note or an e-mail also cannot be disclosed in a blog, web page or social networking site.

Whether an employee is posting something on their own blog, web page, social networking site or on someone else's, if the employee mentions the Company and also expresses either a political opinion or an opinion regarding the Company's actions that could pose an actual or potential conflict of interest with the Company, the posting employee must include a disclaimer. The posting employee should specifically state that the opinion expressed is a personal opinion and not the Company's position. This is necessary to preserve the Company's public image and good will in the marketplace.

Any conduct that is impermissible under the law if expressed in any other form or forum is impermissible if expressed through a blog, web page, social networking or similar site. For example, posted material that is discriminatory, obscene, defamatory, libelous or violent is forbidden. Company policies apply equally to employee social media usage.

Creative Foam Corporation encourages all employees to keep in mind the speed and manner in which information posted on a blog, web page, and/or social networking site is received and often misunderstood by readers. Employees must use their best judgment. Employees with any questions should review the guidelines above and/or consult with their manager. Failure to follow these guidelines may result in discipline, up to and including termination.

## 5-15. Publicity/Statements to the Media

All media inquiries regarding the position of the Company as to any issues must be referred to the company's CEO. Only the CEO is authorized to make or approve public statements on behalf of the Company. No employees, unless specifically designated by the CEO, are authorized to make those statements on behalf of the Company. Any employee wishing to write and/or publish an article, paper, or other publication on behalf of the Company must first obtain approval from the CEO.

## 5-16. Confidential Company Information

During the course of work, employees may become aware of confidential information about Creative Foam Corporation's business, including but not limited to information regarding Company finances, pricing, products and new product development, software and computer programs, marketing strategies, suppliers and customers and potential customers. Employees also may become aware of similar confidential information belonging to the Company's customers and/or suppliers. It is extremely important that all such information remain confidential, and particularly not be disclosed to Creative Foam Corporation's competitors. Any employee who improperly copies, removes (whether physically or electronically), uses or discloses confidential information may be subject to disciplinary action up to and including termination. Employees may be required to sign an agreement reiterating these obligations.

## 5-17. Conflict of Interest and Business Ethics

### PURPOSE AND SCOPE

Creative Foam Corporation ("Creative Foam" or the "Corporation") has adopted this Code of Business Conduct and Ethics (the "Code"), in connection with good standards of corporate governance. The provisions of this Code apply to all employees, officers, and directors of the Corporation, including the Corporation's principal executive officer, financial officer, accounting officer or controller, or persons performing similar functions (collectively, "Employees").

The Code is designed to deter wrongdoing and to promote honest and ethical conduct, avoidance of conflicts of interests, full, fair, accurate, timely and understandable disclosure in SEC filings, compliance with applicable governmental laws, rules and regulations, prompt internal reporting of violations of the Code and accountability for adherence to the Code.

### POLICY

Each employee is expected to adhere to a high standard of ethical conduct and to conduct duties on behalf of the Corporation with uncompromising honesty and integrity. Each employee is expected to be honest and ethical in dealing with all Corporation employees, customers, vendors and third parties.

### **Conflicts of Interest**

Each employee is expected to avoid engaging in activities that conflict with, or are reasonably likely to conflict with, the best interests of the Corporation. An Employee must never use or attempt to use his or her position with the Corporation to obtain any improper benefit for himself or herself, for his or her family members, or for any other person. In addition, employees should not have any position with

or substantial interest in, any business enterprise for profit, the existence of which would be expected to conflict with their responsibilities to the Corporation.

This provision applies not only to each employee but also to immediate family members of each employee, and any trust or entity over which the employee has control. An "immediate family member" includes parent, child, spouse, domestic partner, brother, sister, parent-in-law, grandparent, and grandchild.

If an employee believes a conflict of interest exists or may arise, he or she should immediately disclose the nature and extent of the conflict, or potential conflict, to his or her supervisor, who, along with appropriate officials of the Corporation, will evaluate the conflict and take the appropriate action, if any, to ensure that the Corporation's interests are protected. For the avoidance of doubt, any transaction between the Corporation and another party on terms that are reasonably believed to be at least as favorable as the terms that the Corporation otherwise could have obtained from an unrelated third party shall not create a conflict of interest or cause a violation of this Code, provided that: (i) with respect to the Board and any member of senior management, the disinterested members of the Board were given prior notice of and approved such transaction; and (ii) with respect to all other Employees not included in the immediately preceding clause, the Corporation's General Counsel was given prior notice of such transaction.

### **Integrity of Records and Financial Reporting**

The Corporation applies the highest ethical standards in its financial and non-financial public reporting and follows all applicable standards and rules regarding reporting. Employees are responsible for full, fair, accurate, timely and understandable disclosure in reports and documents prepared by the Corporation. As such, each employee has the responsibility to be truthful and accurate in his or her accounting and reporting practices and to immediately report to appropriate Corporation personnel any information that he or she becomes aware of that affects disclosures made by the Corporation. This includes any violations of law or this Code that may warrant disclosure to appropriate authorities. If an employee discovers an error in any information previously disclosed, such discovery should immediately be brought to the attention of the Board of Directors and, if applicable, the Corporation's independent auditors or legal advisors.

### **Compliance with Laws, Rules and Regulations**

It is the Corporation's policy to comply with all applicable federal or state laws, rules, and regulations, the laws of any other jurisdictions in which we conduct business and the rules and regulations of self-regulatory organizations of which the Corporation is a member. Obeying the law, both in letter and spirit, is the foundation on which this Corporation's ethical standards are built. It is the responsibility of each employee to respect and adhere to such applicable laws, rules and regulations. When an employee is uncertain regarding the interpretation and/or application of any law or regulation, he or she should consult with a supervisor, an executive officer, or the legal department.

### **Counterfeit Parts**

The Corporation has implemented product development processes and supplier quality guidelines which include activities oriented to detect and minimize the risk of introducing counterfeit parts or materials into deliverable products.

### **Human Rights and Working Conditions**

The Corporation has policies and management systems in place to support compliance with laws,

regulations, and industry standards. The Corporation works to reduce the risk of potential human rights violations in their operations and through their business relationships by identifying risks and remediating any non-conformance in a timely manner. This includes all workers: full and part-time employees, temporary, migrant, student, contract, and any other type of worker.

### **Child Labor**

The Corporation complies with all regulatory requirements regarding child labor. The Corporation may utilize internships, co-op programs and other apprenticeship and student learning programs, which comply with all applicable laws and regulations.

### **Wages and Benefits**

The Corporation complies with all applicable regulations regarding employee overtime, including compensating workers for overtime in accordance with applicable local laws and regulations, including those relating to minimum wages, and legally mandated benefits. Employees are regularly provided payroll records that include adequate information to verify compensation for work performed for each pay period. The Corporation's use of temporary, outsourced labor, as necessary, is also in compliance with all applicable laws and regulations.

### **Forced Labor**

All work should be voluntary on the part of the employee. Companies and agents should not hold, destroy, conceal, confiscate, or deny access to employee identity documents unless required by applicable law. Companies should ensure that workers are not required to pay recruitment fees or related fees of any type for employment. Companies should ensure all workers receive a written contract or ensure they understand the terms of employment in a language well understood by the worker.

Human Trafficking: Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, and slavery or trafficking of persons should not be used by any company. This includes, but is not limited to transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, deception, abduction or fraud for labor or services.

The Corporation complies with all applicable laws regulating working hours. When overtime is required, the use of voluntary overtime is first considered before any mandatory overtime is scheduled.

### **Health & Safety**

Safety is one of the Corporation's core operating values that is used to prioritize our tasks, along with quality and efficiency. We are committed to providing a safe and healthy working environment to prevent work-related injuries and illnesses by doing the following:

1. Each member of our TEAM will hold themselves and their co-workers accountable for working safely.
2. We will meet our legal requirements and other compliance obligations.
3. We will work to eliminate hazards and reduce our risks.
4. We will set safety performance objectives, measure the results, and work to continuously improve our management systems.
5. We will consult and collaborate with employees and/or their representatives on safety matters.

## **Harassment**

The Corporation is committed to providing and maintaining a work environment that is free of harassment and discrimination based on race, color, religion, national origin, ethnicity, sex (see the definition of sexual harassment below), age, disability or handicap, marital status, citizenship, height, weight, or any other characteristic protected by law. Additional information is summarized in the Corporation's Anti-Harassment Policy.

## **Non-Discrimination**

The Corporation is an equal opportunity employer and is committed to a policy of compliance with all federal and state civil rights laws and regulations. To provide equal employment and advancement opportunities to all individuals, employment decisions at the Corporation are based on merit, qualifications, and abilities. This is further outlined in the Corporation's Equal Employment Policy.

## **Reporting Illegal or Unethical Behavior or Accounting or Auditing Concerns**

Compliance with this Code is important to the Corporation and depends on each employee. If you observe or become aware of illegal or unethical behavior, violations of the Code or accounting or auditing concerns, you should promptly report the behavior to the Audit Committee of the Board. It is the policy of the Corporation not to retaliate against any person for the act of reporting, in good faith, a suspected ethical or legal violation or accounting or auditing concerns. Any attempt to take such adverse action is a violation of this Code and will result in significant discipline, including possible termination. To the extent the matter has been reported and remains unresolved, you should report the matter to the Corporation's legal advisors.

## **Enforcement**

The Corporation's Audit Committee -- in coordination with senior management, legal counsel and, where appropriate, the Board -- is responsible for overseeing the fair, prompt and consistent enforcement of this Code, including the investigation of possible violations and the undertaking of remedial actions.

## **Sanctions**

The Corporation has a long-standing commitment to conducting all business activities with the highest ethical standards. Accordingly, this Code is important to the Corporation and must be taken seriously. Violations of this Code will not be tolerated and will result in disciplinary action. Depending on the nature of the violation involved, violation of this Code may result in civil or criminal legal enforcement actions.

## **Ethics Escalation Policy (whistle-blowing policy)**

Creative Foam Corporation is committed to ensuring that employees can speak up with confidence if they have any concerns or need to ask for help. If you suspect or observe anything that you think might be contradictory to this policy, you have an obligation to report it. You should raise your concerns with your supervisor. Creative Foam Corporation will not tolerate retaliation of any form against anyone for raising concerns or reporting what they genuinely believe to be improper, unethical or inappropriate behavior. All reports are treated confidentially.

## **Anti-Bribery Policy**

All forms of bribery and corruption are prohibited. The Corporation does not tolerate any act of bribery or corruption. Any breach of this policy or local law could result in disciplinary action being taken and ultimately could result in termination.

## 5-18. Use of Communications and Computer Systems

Creative Foam Corporation's communication and computer systems are intended primarily for business purposes; however limited personal usage is permitted if it does not hinder performance of job duties or violate any other Company policy. This includes the voice mail, e-mail and Internet systems. Users have no legitimate expectation of privacy in regard to their use of the Company's systems.

Creative Foam Corporation may access the voice mail and e-mail systems and obtain the communications within the systems, including past voice mail and e-mail messages, without notice to users of the system, in the ordinary course of business when the Company deems it appropriate to do so. The reasons for which the Company may obtain such access include, but are not limited to: maintaining the system; preventing or investigating allegations of system abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information; and ensuring that Company operations continue appropriately during an employee's absence.

Further, Creative Foam Corporation may review Internet usage to ensure that such use with Company property, or communications sent via the Internet with Company property, are appropriate. The reasons for which the Company may review employees' use of the Internet with Company property include, but are not limited to: maintaining the system; preventing or investigating allegations of system abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information; and ensuring that Company operations continue appropriately during an employee's absence.

The Company may store electronic communications for a period of time after they are created. From time to time, copies of communications may be deleted.

The Company's policies prohibiting harassment, in their entirety, apply to the use of the Company's communication and computer systems. No one may use any communication or computer system in a manner that may be construed by others as harassing or offensive based on race, national origin, sex, sexual orientation, age, disability, religious beliefs or any other characteristic protected by federal, state or local law.

Further, since the Company's communication and computer systems are intended for business use, all employees, upon request, must inform management of any private access codes or passwords.

Unauthorized duplication of copyrighted computer software violates the law and is strictly prohibited.

No employee may access, or attempt to obtain access to, another employee's computer systems without appropriate authorization.

Violators of this policy may be subject to disciplinary action, up to and including termination.

## 5-19. Personal and Company-Provided Portable Communication Devices

Company-provided portable communication devices (PCDs), including cell phones and laptops, should be used primarily for business purposes. Employees have no reasonable expectation of privacy in regard to the use of such devices, and all use is subject to monitoring, to the maximum extent permitted by applicable law. This includes, as permitted, the right to monitor personal communications as necessary.

Some employees may be authorized to use their own devices for business purposes. These employees should work with the IT department to configure their device for business use. Communications sent via a personal

device may also be subject to monitoring if sent through the Company's networks and the device must be provided for inspection and review upon request.

All conversations, text messages and e-mails must be professional. When sending a text message or using a communication device for business purposes, whether it is a Company-provided or personal device, employees must comply with applicable Company guidelines, including policies on sexual harassment, discrimination, conduct, confidentiality, equipment use and operation of vehicles. Using a Company-issued device to send or receive personal text messages is prohibited at all times and personal use during working hours should be limited to emergency situations.

Employees may not use their personal devices for business unless they agree to submit the device to the IT department on or before their last day of work for resetting and removal of Company information. This is to ensure that all Company information is removed from the device at the time of termination. The removal of Company information is crucial to ensure compliance with the Company's confidentiality and proprietary information policies and objectives.

Please note that whether employees use their personal device or a Company-issued device, the Company's electronic communications policies, including but not limited to, proper use of communications and computer systems, remain in effect.

## 5-20. Equipment Use

It is the responsibility of any employee of Creative Foam to ensure reasonable effort is taken to handle all company-issued equipment with care to ensure the long and useful life of the equipment. Abuses of equipment may result in disciplinary action. Continued abuses may result in termination.

Creative Foam provides many business tools to its employees and contractors to enhance their productivity and jobs. These tools include computers and their software, internal networks (e-mail, intranet, VPN etc.), external networks like the Internet, telephone systems, voice mail, fax, copiers, etc. Creative Foam requires that these systems be used in a responsible manner, ethically and in compliance with all legislation and other Creative Foam policies and contracts. Non-compliance could have a severe, negative impact on the Company, its employees and clients.

Individuals at Creative Foam are encouraged to use the corporate systems to further the business goals and objectives of the organization. The types of activities that are encouraged include:

- Communicating with fellow employees, Creative Foam business partners, and clients within the context of an individual's assigned responsibilities;
- Acquiring or sharing information necessary or related to the performance of an individual's assigned responsibilities.

### **Physical Security**

When traveling with any equipment, ensure the equipment is on your person, or if it does need to be stored in a vehicle, ensure the vehicle is locked and the equipment is stored out of sight before reaching your destination. For example, conferences and golf courses are popular places to find unsecured equipment. Please take precautions to deter theft of any equipment in your possession.

Equipment should not be checked and must be on your person for flights.

## Data Security

Creative Foam supplies each user with space to store documents on a server. Please use this space for all files to ensure they are backed up and not accessible on the hard drive, should a computer be lost or stolen. Be aware of the sensitivity of data that may be stored on company laptops and ensure customer privacy and corporate secrets cannot be compromised.

In the event of a stolen device, local authorities and the IT Department must be notified immediately. In the event of a lost device, the IT Department must be notified immediately.

## 5-21. Intellectual Use

We require that intellectual property be used in a responsible way, ethically and in compliance with all legislation and other Creative Foam policies and contracts. Intellectual property may include photos, music, movies, written works, and software.

Creative Foam makes every effort to ensure the software in use within the Company is being used in compliance with the agreements signed with each software publisher and has been purchased through approved vendors.

### Procedure

To ensure Creative Foam does not violate any copyright laws, individuals must agree to the following rules:

1. Software will be used in accordance with the publisher's license agreements and Creative Foam's software use policy. All software, media, and documentation in use within Creative Foam belong to, and are controlled by Creative Foam.
2. Software may not be copied or shared for personal use or shared with suppliers, clients, relatives, friends, or acquaintances.
3. Software will only be installed by the IT Team, regardless of whether the product is available commercially or as open source, freeware, or shareware.
4. All software purchases must be approved and tracked by the IT Department and purchased through appropriate procedures. Employee purchased software will not be approved for reimbursement and will be removed from any company-owned machines on which it is installed.
5. Storage or installation of movies, photos, music, and written works on company-owned machines is forbidden unless Creative Foam has purchased the right to use these products. Creative Foam will scan the network and local drives for specific file types that are associated with these files and will remove files as appropriate. Disciplinary action may follow.
6. Individuals are encouraged to report misuse of software within Creative Foam to IT.

Consequences of not following the policy will result in disciplinary action and may result in termination of employment.

## 5-22. IT Purchasing Policy

This policy covers all information technology (IT) hardware, software, and computer-related components purchased with Creative Foam funds. Specifically, the scope of this policy includes, but is not limited to, the following Creative Foam technology resources:

- Desktops, laptops, tablets and servers.
- Software running on the devices mentioned above.
- Peripheral equipment, such as printers and scanners.
- Cables or connectivity-related devices.
- Audio-visual equipment, such as projectors.
- Generators connected to IT systems

This policy extends to technical services, such as disaster recovery solutions and ISPs, as well as professional services, such as consultants and legal professionals hired through the IT department. These include, but are not limited to, the following:

- Professionals or firms contracted for application development and maintenance.
- Consulting, legal or accounting professionals.
- Recruiting services.
- Training and HR services.
- Off-site collection services.
- Disaster recovery services.
- Hosted telephone services.
- Telephone network services.
- Data network services.

All hardware, software, or components purchased with Creative Foam funds are the property of Creative Foam. This includes all items purchased using a personal credit card for which the employee is later reimbursed.

### **IT's Role in Purchasing**

All purchase requests for hardware, software, or computer-related components must first be approved by a department head and must be submitted to the IT department for final purchase approval. If the requested item is already in inventory, then it will be made available to the requestor within 10 business days, assuming justification of need is sufficient. All approved requests for items not in inventory will be ordered by IT.

### **Confidentiality**

In the context of organizational purchasing activities, employees may come into contact with pricing information which, if divulged to vendors, could negatively affect pricing negotiations. The sharing of vendor pricing information with a competing vendor may also pose a threat to the relationship with vendors and could result in a breach of contract. All pricing information employees may come across in the purchase process must be maintained in strict confidentiality. Items including vendor contracts, purchase orders, evaluation tools and any other documented information involving leasing, acquisition or contracting of IT hardware, software, technical or other services must be maintained securely and held in strict confidence.

### **Conflict of Interest**

To ensure fairness in bidding, any existing relationship between the purchasing employee and vendors involved in a competitive bid or otherwise must be declared. Those individuals involved in vendor selection must divulge existing relationships to ensure fair bidding process by ensuring no rewards are received by Creative Foam employees in exchange for awarding company contracts to the aforementioned vendors.

## **Non-Compliance**

The purchase policy exists to ensure that financial commitments made by Creative Foam to vendors are accounted for and follow the Purchasing Policy guidelines. Employees should be aware that they may be held accountable for rogue purchasing or any other commitments to vendors which occur outside the boundaries of this policy.

### **5-23. If You Must Leave Us**

Should any employees decide to leave the Company, we ask that they provide a Supervisor with at least two (2) weeks advance notice of departure.

All Company property including, but not limited to, keys, security cards, laptop computers, uniforms, etc., must be returned at termination. Employees also must return all of the Company's confidential information upon termination. To the extent permitted by law, employees will be required to repay the Company (through payroll deduction, if lawful) for any lost or damaged Company property.

Under no circumstances will vacation time be used to extend an employee's termination date. The last day worked is the last day of employment.

Employees who resign are requested to participate in an exit interview with a representative of Human Resources.

As noted previously, all employees are employed at-will and nothing in this handbook changes that status.

### **5-24. References**

Creative Foam Corporation will respond to reference requests through The Work Number employment verification service. The Company will provide general information concerning the employee such as date of hire, date of termination, and positions held.

No other employee references will be provided.

### **5-25. A Few Closing Words**

This handbook is intended to give employees a broad summary of things they should know about Creative Foam Corporation. The information in this handbook is general in nature and, should questions arise, any member of management should be consulted for complete details. While we intend to continue the policies, rules and benefits described in this handbook, Creative Foam Corporation, in its sole discretion, may always amend, add to, delete from or modify the provisions of this handbook and/or change its interpretation of any provision set forth in this handbook. Employees should not hesitate to speak to management if they have any questions about the Company or its personnel policies and practices.

## Section 6 - Indiana Addendum

### 6-1. Family Military Leave

Employees who have been employed by Creative Foam Corporation for at least 12 months, have worked at least 1,500 hours during the 12-month period immediately preceding the day the leave begins, and are the spouse, parent, grandparent, child or sibling of an individual ordered to active duty, are eligible for an unpaid leave of absence for up to 10 days each calendar year.

Leave may be taken during any of the following periods:

- during the 30 days before active duty orders are in effect;
- during a period in which the military family member ordered to active duty is on leave while active duty orders are in effect;
- during the 30 days after the active duty orders are terminated.

Employees may elect to substitute any accrued paid time off (except for paid medical or sick leave) for leave provided under this policy. If applicable, health care benefits will be continued at the employee's expense during the period of leave.

Employees must provide written notice to the Company at least 30 days in advance; notice must include a copy of the active duty orders (if available) and an indication of the date the leave will begin. If the active duty orders are issued less than 30 days before the date the requested leave is to begin, written notice must be provided as soon as possible under such circumstances. The Company reserves the right to require verification of eligibility for this leave. Failure to provide such verification within a reasonable time after it was requested may result in the absence from employment being considered unexcused.

Upon returning from leave, in most cases the employee will be restored to the position they held before the leave began or to an equivalent position.

## Section 7 - Michigan Addendum

### 7-1. Social Security Number Privacy Act

It is the policy of Creative Foam Corporation to ensure to the extent practicable the confidentiality of employees' Social Security Numbers in accordance with Michigan law.

The Company will not intentionally do any of the following acts which result in a prohibited disclosure of employees' Social Security Numbers. Violation of this policy will result in discipline up to and including termination.

1. Publicly display more than four (4) sequential digits of a Social Security Number
2. Use more than four (4) sequential digits of a Social Security Number as a primary account number or use more than 4 sequential digits of a Social Security Number on any identification badge or card, membership card, permit or license, except where permitted by law.
3. Require employees to use or transmit more than four (4) sequential digits of their Social Security Numbers over the internet or on a computer system or network or to gain access to the internet, computer system or network unless the connection is secure or the transmission is encrypted. Similarly, the Company will not require employees to use or transmit more than four (4) sequential digits of their Social Security Numbers to gain access to the internet or a computer system unless the connection is secure, the transmission is encrypted, or a password or other unique personal identification or authentication device is also required.
4. Include more than four (4) sequential digits of Social Security Numbers on the outside of envelopes or packages or visible internal areas.
5. Include more than four (4) sequential digits of Social Security Numbers in documents or information mailed to individuals, except as permitted by law.

The Company limits access to Social Security Numbers to those employees and outside consultants whose job duties require that they use this information in connection with Company business. The individuals who have access to Social Security Numbers are those who work in the following areas:

Human Resources

Benefits Administration

Computer and Information Technology

Executive Management

Legal Department

Individuals who, though not employed by the Company provide legal, tax, benefits, management or other consulting services for the Company.

The Company will properly dispose of documents containing Social Security Numbers by ensuring that all such materials are shredded or otherwise destroyed prior to discarding such information. Data stored in electronic format will be rendered irretrievable before computers are discarded or destroyed.

## 7-2. Victims of Crime Leave

Employees who are a victim or victim's representative, called to serve as a witness in a judicial proceeding, must notify their supervisor as soon as possible.

Employees may not be compensated for extended time away from work to participate in a court case, but may use available vacation time to cover the period of absence.

Employees testifying as the victim or representative of a victim in a judicial proceeding will not be disciplined for their absence.

## 7-3. Paid Medical Leave

### Eligibility

Creative Foam Corporation provides Paid Medical Leave (PML) to eligible non-exempt employees who work in Michigan. For employees who work in Michigan who are eligible under any other applicable sick time/leave policy, law or ordinance, this policy applies solely to the extent it provides greater benefits/rights on any specific issue or issues than any other applicable sick time/leave policy, law or ordinance.

### Allotment

Employees receive an amount of paid time off which includes usage for PML at the start of each benefit year. Employees hired after the start of the benefit year will receive a prorated amount based on day of hire. For purposes of this policy, the benefit year is the consecutive 12-month period beginning January 1 and ending on December 31.

### Usage

Employees may begin using allotted PML according to the company's general paid time off policy. PML can be used in one (1) hour increments. Employees may not use more than 40 hours of paid time off as PML in any benefit year.

Eligible employees may use PML for the following:

1. their mental or physical illness, injury or health condition; medical diagnosis, care or treatment of their mental or physical illness, injury or health condition; or preventative medical care;
2. their family member's mental or physical illness, injury or health condition; medical diagnosis, care or treatment of the family member's mental or physical illness, injury or health condition; or preventative medical care for a family member;
3. if they or their family member is a victim of domestic violence or sexual assault; medical care or psychological or other counseling for physical or psychological injury or disability; to obtain services from a victim services organization; to relocate due to domestic violence or sexual assault; to obtain legal services; or to participate in any civil or criminal proceedings related to or resulting from domestic violence or sexual assault; or
4. for closure of their primary workplace by order of a public official due to a public health emergency; for their need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency; or if it has been determined by the health authorities having jurisdiction or by a health care provider that employees or their family members' presence in the

community would jeopardize the health of others because of exposure to a communicable disease, whether or not eligible employees or their family members have actually contracted the communicable disease.

For purposes of this policy, family member means: biological, adopted or foster child, stepchild or legal ward or a child to whom employees stand in loco parentis; biological parent, foster parent, stepparent or adoptive parent or employees' legal guardian or the legal guardian of the employee's spouse or an individual who stood in loco parentis when the employee was a minor child; individual to whom the employee is legally married under the laws of any state; grandparent; grandchild; or a biological, foster, or adopted sibling.

Unless advised otherwise, Creative Foam Corporation will assume, subject to applicable law, that employees want to use available PML for absences for reasons set forth above and they will be paid for such absences to the extent they have PML available.

### **Notice and Documentation**

When requesting to use PML, employees must comply with the usual and customary notice, procedural, and documentation requirements for requesting leave as outlined in the Punctuality and Attendance policy. Where documentation is requested, employees will have at least three (3) days, upon request, to provide documentation.

Employees using PML for reason #3 above may be required to provide documentation that the PML has been used for that purpose. The following types of documentation are:

- a police report indicating that employees or their family members were victims of domestic violence or sexual assault;
- a signed statement from a victim and witness advocate affirming that employees or their family members are receiving services from a victim services organization; or
- a court document indicating that employees or their family member are involved in legal action related to domestic violence or sexual assault.

The documentation should not explain the details of the violence or disclose details relating to domestic violence or sexual assault or the details of any medical condition.

### **Payment**

PML will be paid at a pay rate equal to the normal hourly wage or base wage. Use of PML is considered hours worked for purposes of calculating overtime.

### **Carryover and Payout**

Unused PML may not be carried over into the following year, apart from any existing paid time off rollover policy.

Unused PML under this policy will not be paid out at separation, apart from any existing paid time off policy.

### **Questions**

Employees with questions concerning this policy should contact Human Resources.

## Section 8 - Tennessee Addendum

### 8-1. Pregnancy Accommodations

In compliance with Tennessee Pregnant Workers Fairness Act, Creative Foam Corporation will make reasonable accommodations for medical needs arising from pregnancy, childbirth or related medical conditions of an applicant for employment or an employee, unless the accommodation would impose an undue hardship on business operations.

The Company will not take adverse action against employees in terms, conditions or privileges of employment for requesting or using a reasonable accommodation to the known limitations for medical needs arising from pregnancy, childbirth or related conditions, including, but not limited to, counting an absence related to pregnancy under the attendance policy. The Company will not require employees to take leave if another reasonable accommodation can be provided to the known limitations for medical needs arising from pregnancy, childbirth or related conditions.

Reasonable accommodations include but are not limited to:

1. making existing facilities used by employees readily accessible and usable;
2. providing more frequent, longer or flexible breaks;
3. modifying food or drink policy;
4. providing modified seating or allowing employees to sit more frequently if the job requires standing;
5. providing assistance with manual labor and limits on lifting;
6. authorizing a temporary transfer to a vacant position;
7. providing job restructuring or light duty, if available;
8. acquiring or modifying equipment, devices or work stations;
9. modifying work schedules;
10. allowing flexible scheduling for prenatal visits; and
11. providing a private place, other than a bathroom stall, for the purpose of expressing milk.

The Company reserves the right, to the maximum extent permitted by applicable law, to request medical certification from a healthcare professional if an individual is requesting a reasonable accommodation related to temporary transfer to a vacant position, job restructuring, light duty or accommodations that require time away from work. The Company will engage in an interactive process with the individual to determine if a reasonable accommodation can be provided, absent undue hardship, while the individual is making a good faith effort to obtain the medical certification. The Company will not take adverse action against employees related to their need for accommodation while they are engaging in good faith efforts to obtain medical certification.

Any questions about or requests for a reasonable accommodation pursuant to this policy, should be directed to Human Resources.

## 8-2. Abusive Conduct Prevention

At Creative Foam Corporation all employees have the right to be treated with dignity and respect. Creative Foam Corporation does not tolerate and prohibits abusive conduct in the workplace. These behaviors are unacceptable in the workplace and in any work-related settings such as business trips and Company-sponsored social functions.

### **Abusive Conduct Defined**

Abusive conduct is defined under this policy as acts or omissions that would cause a reasonable person, based on the severity, nature and frequency of the conduct, to believe that the employee was subject to an abusive work environment, which can include but is not limited to:

- repeated verbal abuse in the workplace, including derogatory remarks, insults and epithets;
- verbal, nonverbal or physical conduct of a threatening, abusive, violent, intimidating or humiliating nature in the workplace; or
- the sabotage or undermining of the employee's work performance in the workplace.

Abusive conduct does not include:

- disciplinary procedures in accordance with adopted Company policies;
- routine coaching and counseling, including feedback about and correction of work performance;
- reasonable work assignments, including shift, post and overtime assignments;
- individual differences in styles of personal expression;
- passionate, loud expression with no intent to harm others;
- differences of opinion on work-related concerns; and
- the non-abusive exercise of managerial prerogative.

### **Reporting Procedures**

If employees believe someone has violated this policy, they should promptly bring the matter to the immediate attention of Human Resources. Every supervisor who learns of any employee's concern about conduct in violation of this policy, whether in a formal complaint or informally, or who otherwise is aware of conduct in violation of this policy, must immediately report the issues raised or conduct to Human Resources.

### **Investigation Procedures**

Upon receiving a complaint, the Company will promptly conduct an investigation into the facts and circumstances of any claim of a violation of this policy. Employees who file complaints will not suffer negative consequences for reporting others for inappropriate behavior. To the extent possible, the Company will endeavor to keep confidential each party involved in the investigation. However, complete confidentiality may not be possible in all circumstances. Employees are required to cooperate in all investigations conducted pursuant to this policy. The Company will take corrective measures against any person who it finds to have engaged in conduct in violation of this policy, if the Company determines such measures are necessary. These measures may include, but are not limited to, counseling, suspension or immediate termination.

## **Retaliation**

The Company will not tolerate retaliation, including any act of reprisal, interference, restraint, penalty, discrimination, intimidation or harassment against an individual or individuals exercising their rights under this policy.

Employees with questions or concerns regarding this policy should contact Human Resources.

## **8-3. Parental Leave**

Full-time employees with at least 12 consecutive months of service as a full-time employee are entitled to unpaid Parental Leave of up to four (4) months in the event of pregnancy, childbirth, nursing an infant and adoption in accordance with Tennessee Code section 4-21-408. With respect to adoptions, the leave period begins when the employee receives custody.

In order to qualify for Parental Leave, advance notice to Creative Foam Corporation generally is required. Creative Foam Corporation must be notified of: the anticipated date of departure for leave, the length of the leave and the intended date of return to full-time employment. Employees who provide three (3) months' notice will be reinstated to the same or similar position after returning from leave. Employees also are eligible for reinstatement and do not forfeit their rights and benefits if they are prevented from giving three (3) months' notice due to a medical emergency or because they received notice of the adoption fewer than three (3) months in advance. In these situations, employees should provide as much advance notice as possible.

If the employee's job is so unique that the Company cannot, after reasonable efforts, fill that position temporarily, then reinstatement is not guaranteed and the employee will be notified.

Leave runs concurrently with any other leave provided by the Company to the extent permitted by applicable law. Employees may substitute accrued paid time-off for the unpaid Parental Leave, but this substitution does not extend the length of the leave.

If employees have any questions regarding this policy, they should contact Human Resources.

## Section 9 - Washington Addendum

### 9-1. Pregnancy Accommodations

In compliance with Washington law, Creative Foam Corporation will not discriminate against the employee in relation to pregnancy and pregnancy-related health conditions. The Company will endeavor to provide reasonable accommodations for conditions related to pregnancy and pregnancy-related health conditions, including the need to express breast milk. Reasonable accommodations include:

1. providing more frequent, longer or flexible restroom breaks;
2. modifying a no food or drink policy;
3. job restructuring, part-time or modified work schedules, reassignment to a vacant position or acquiring or modifying equipment, devices or the employee's work station;
4. providing seating or allowing the employee to sit more often if the employee's job requires the employee to stand;
5. providing for a temporary transfer to a less strenuous or less hazardous position;
6. providing assistance with manual labor and limits on lifting;
7. scheduling flexibility for prenatal visits;
8. providing reasonable break time for an employee to express breast milk each time the employee needs to express the milk and providing a private location, other than a bathroom; and
9. any further pregnancy accommodation the employee may request, and to which the Company must give reasonable consideration in consultation with information provided on pregnancy accommodation by the Washington Department of Labor and Industries or the attending health care provider of the employee.

The Company may request that the employee provide a written certification from the employee's treating health care professional regarding the need for reasonable accommodation except for accommodations listed in points 1, 2, 4, and 8 above or limits on lifting in point 6 of more than 17 pounds. The employer may refuse accommodations listed in points 3, 5, 6 (for lifting, only if involves 17 pounds or less), 7, 8, and 9 if the accommodation would pose an undue hardship on the Company's program, enterprise or business.

The Company is not required to create additional employment that would not otherwise have been created or discharge any employee, transfer any employee with more seniority or promote any employee who is not qualified to perform the job, unless the Company does so or would do so for other classes of employees who need accommodation.

The Company will not take adverse action against the employee who requests, declines or uses an accommodation under this policy. Further, the Company will not deny employment opportunities to an otherwise qualified employee or prospective employee if such denial is based on the Company's need to reasonably accommodate the employee's or prospective employee's condition related to pregnancy, childbirth or a related medical condition. Additionally, the Company will not require the employee to take leave if another reasonable accommodation can be provided for the employee's pregnancy and pregnancy-related health conditions.

If employees have any questions about or would like to request a reasonable accommodation pursuant to this policy, they should contact Human Resources.

## 9-2. Paid Family and Medical Leave

### Eligibility

Employees who have worked 820 hours in the qualifying period (equal to 16 hours a week for a year) are eligible to apply for paid medical leave or paid family leave (collectively PFML). "Qualifying period" means the first four (4) of the last five (5) completed calendar quarters or, if eligibility is not established, the last four (4) completed calendar quarters immediately preceding the application for PFML. The 820 hours are cumulative, regardless of the number of employers or jobs someone has during a year. All paid work over the course of the year counts toward the 820 hours, including part-time, seasonal, and temporary work.

### Entitlement

PFML is available to eligible employees for up to 12 weeks within any 52 consecutive week period. PFML may be used:

- To participate in providing care, including physical or psychological care, for a family member (child, grandchild, grandparent, parent, sibling, spouse, child's spouse or state registered domestic partner, or anyone who has an expectation to rely on the employee for care, whether living in the same household or not) with a serious health condition;
- To bond with the employee's child after the child's birth or after the placement of a child under the age of 18 with the employee;
- Because of any qualifying military exigency as permitted under the federal Family and Medical Leave Act (FMLA) for the employee's family member (child, grandchild, grandparent, parent, sibling, spouse, child's spouse or state registered domestic partner of an employee);
- Because of the employee's own serious health condition; or
- Because of the death of the employee's child for whom the employee would have qualified for medical leave for the birth of the child or would have qualified for family leave to bond with the child during the seven (7) calendar days following the death.

For purposes of the above, unless the context clearly requires otherwise, "child" includes: biological, adopted, or foster child; a stepchild or a child to whom the employee stands in loco parentis, is a legal guardian or is a de facto parent regardless of age or dependency status. "Parent" includes biological, adoptive, de facto or foster parent, stepparent or legal guardian of the employee or the employee's spouse or state registered domestic partner or an individual who stood in loco parentis to the employee when the employee was a child.

Qualifying military exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, caring for the parents of the military member on covered active duty, and attending post-deployment reintegration briefings.

If the employee faces multiple events in a year, the employee may be eligible to receive up to 16 weeks, and up to 18 weeks if the employee experiences a serious health condition during pregnancy that results in incapacity.

Leave to care for the employee's child after birth, or placement for adoption or foster care must be taken within one (1) year of the child's birth or placement. Leave for any other reason must be taken within one (1) year of the date of which the employee filed an application for the benefits.

These benefits are financed through both employee and Creative Foam Corporation contributions to the PFML

program. The program is administered by the Washington Employment Security Department (ESD). The Company will calculate and withhold premiums from employees' paychecks and send both employees' shares and the Company's share, if applicable, to ESD on a quarterly basis.

While on PFML, employees are entitled to partial wage replacement at a portion of their average weekly pay. There is a waiting period of up to seven (7) consecutive calendar days of leave, but employees may use any paid time off (including vacation leave, personal leave, medical leave, sick leave, compensatory leave or any other paid leave offered under the Company's established policy) to receive compensation during that waiting period. No waiting period is required where leave is for the medical leave for the birth parent taken upon the birth of a child, family leave for bonding after birth or placement of a child or for a military exigency. A waiting period will not reduce the maximum duration of an employee's available paid family or medical leave.

If the employee's average weekly wage is 50 percent or less of the state average weekly wage, the employee's weekly benefit is 90 percent of the average weekly wage. If the employee's weekly wage is greater than 50 percent of the state average weekly wage, the weekly benefit is the sum of:

- 90 percent of 50 percent of the state average weekly wage; and
- 50 percent of the employee's average weekly wage that is greater than 50 percent of the state average weekly wage.

The ESD sets the maximum weekly benefit for PFML, and it will be adjusted effective January 1 of each subsequent year as determined by the state based on 90 percent of the state's average weekly wage. Employees will be paid benefits directly by ESD rather than by the Company.

In any week in which the employee is eligible to receive benefits under Title 50 (unemployment compensation) or certain provisions of Title 51 (industrial insurance) of the Revised Code of Washington, or any other applicable federal unemployment compensation, industrial insurance or disability insurance laws, the employee is disqualified from receiving PFML.

### **Definition of a Serious Health Condition**

A serious health condition is an illness, injury, impairment or physical or mental condition that involves: inpatient care in a hospital, hospice, or residential medical care facility; or continuing treatment by a health care provider. Subject to certain conditions, the continuing treatment requirement may include, but is not limited to:

- A period of incapacity of more than three (3) consecutive, full calendar days, and any subsequent treatment or period of incapacity relating to the same condition;
- Any period of incapacity due to pregnancy, or for prenatal care;
- Any period of incapacity or treatment for such incapacity due to a chronic serious health condition;
- A period of incapacity which is permanent or long term due to a condition for which treatment may not be effective; or
- Any period of absence to receive multiple treatments, including any period of recovery from the treatments, by a healthcare provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for: restorative surgery after an accident or other injury; or a condition that would likely result in a period of incapacity of more than three (3) consecutive, full calendar days in the absence of medical intervention or treatment, such as cancer, severe arthritis, or kidney disease.

## **Use of PFML**

Employees do not need to use PFML in one block. PFML can be taken intermittently in minimum increments of eight (8) consecutive hours. PFML taken on an intermittent basis will not result in a reduction of the total amount of PFML to which the employee is entitled beyond the amount of PFML actually taken.

## **Employee Notice**

Employees must provide the Company at least 30 days' written notice before PFML is to begin if the need for PFML is foreseeable based on an expected birth, placement of a child or planned medical treatment for a serious health condition. Employees must provide the Company written notice as soon as is practicable when 30 days' notice is not possible, such as because of a lack of knowledge of approximately when PFML will be required to begin, a change in circumstances or a medical emergency. Employees must provide written notice as soon as is practicable for foreseeable PFML due to a qualifying military exigency, regardless of how far in advance such PFML is foreseeable. When the need for PFML is not foreseeable, employees must provide written notice as soon as is practicable under the facts and circumstances of the particular situation. If the employee is unable to provide notice personally, written notice may be given by another responsible party, such as the employee's spouse, neighbor or coworker.

The employee must provide written notice to make the Company aware that the employee may need PFML. The notice must contain at least the anticipated timing and duration of the PFML. Written notice includes, but is not limited to, handwritten or typed notices, and all forms of written electronic communications such as text messages and email.

Whether PFML is to be continuous or is to be taken intermittently or on a reduced schedule basis, written notice need only be given one time, but the employee must inform the Company as soon as is practicable if dates of the scheduled PFML change, are extended or were initially unknown.

## **Filing Claims with the ESD**

The employee may apply for PFML benefits by:

- Using the ESD online services;
- Contacting the paid family and medical leave customer care center by telephone; or
- Using alternate methods authorized by ESD.

When the employee submits an application for PFML benefits, the employee must provide information sufficient for ESD to determine eligibility for benefits. This information includes, but is not limited to, information identifying the employee, the type and anticipated duration of PFML, as well as certification or documentation to validate the qualifying event. If the employee is in a claim year and has need for successive periods of benefits for the same qualifying event beyond what was originally approved, the employee must update the application. If the employee experiences a new qualifying event during a claim year, the employee must reopen the claim and provide additional information required by ESD before benefits can be paid. Any time the employee applies for PFML benefits, the application must be supported by documentation or certification as required by applicable law. For example, when PFML is taken because of the employee's own serious health condition or the serious health condition of a family member, medical certification from a health care provider will be required. However, the employee does not need to obtain medical certification during the six (6)-week postnatal period.

The ESD is solely responsible for determining if an employee is eligible for benefits.

## **Supplemental Benefits During PFML**

The Company does not offer supplemental benefits to employees who are receiving PFML.

## **Job Benefits and Protection**

Employees' eligibility for health insurance benefits while using PFML depends upon the terms of the insurance plan and/or the employees' use of FMLA, if applicable. If Employees are eligible to maintain their health coverage during PFML leave, Employees who contribute to the cost of their health insurance must pay their portion of the premium cost after returning to work.

Employees who return from PFML generally will be restored to a same or equivalent job if the Company has 50 or more employees and the employee has worked for the Company for at least 12 months, and has worked 1,250 hours in the 12 months before taking PFML (about 24 hours per week, on average). Otherwise, Employees taking PFML are not guaranteed job reinstatement unless they qualify for such reinstatement under federal and/or state leave laws or other applicable laws.

The use of PFML cannot result in the loss of any employment benefits that accrued prior to the start of PFML.

## **FMLA Concurrent with PFML**

Any time off for PFML purposes will run concurrently with FMLA, if applicable, with the exception of any leave for sickness or temporary disability because of pregnancy or childbirth, which is in addition to leave under PFML. Please see the "Family and Medical Leave" policy for eligibility requirements under the FMLA and see the "Pregnancy and Childbirth Leave" policy for eligibility requirements for pregnancy leave.

## **Questions and/or Complaints about PFML**

The Company is prohibited from discriminating or retaliating against employees for requesting or taking PFML.

For more information on PFML, employees may go to [paidleave.wa.gov](https://paidleave.wa.gov) or speak with Human Resources.

## **9-3. Pregnancy and Childbirth Leave**

Employees are eligible to take unpaid leave for the actual period of time that they are sick or temporarily disabled because of pregnancy, childbirth or related medical conditions.

Any employees wishing to request leave because of a pregnancy-related disability must provide appropriate medical certification.

This leave is available regardless of whether the employee qualifies for leave under Creative Foam Corporation's Family & Medical Leave policy. This leave does not count towards the employee's leave entitlement, if any, under the Washington State Paid Family and Medical Leave Act (PFML), but FMLA leave will run concurrently with this leave.

During this leave, employees may use any applicable paid time off benefits that they have available to cover some or all of the absence. Otherwise, the leave will be unpaid. Group health and other benefits will be handled in the same manner as for any other similar pregnancy or non-pregnancy related absence.

If employees take this leave only for the actual period of disability, as certified by their health care provider, then they ordinarily will be allowed to return from this leave to the same job they held when the leave began or to a similar job of at least the same pay. Exceptions to this general rule will be made only if the Company has a

business necessity to do otherwise.

If employees have any questions regarding this policy, they should contact Human Resources.

## 9-4. Leave for Victims of Domestic Violence

If the employee or the employee's family member is a victim of domestic violence, the employee may be eligible to take reasonable, unpaid time off from work for one or more of the following reasons:

- seek legal or law enforcement assistance or remedies to ensure the health and safety of the employee or a family member including, but not limited to, preparing for or participating in any civil or criminal legal proceeding related to or derived from domestic violence, sexual assault or stalking;
- seek treatment by a health care provider for physical or mental injuries caused by domestic violence, sexual assault or stalking, or to attend to health care treatment for a victim who is a family member;
- obtain or assist a family member in obtaining services from a domestic violence shelter, rape crisis center or other social services program for relief from domestic violence, sexual assault or stalking;
- obtain or assist a family member in obtaining mental health counseling related to an incident of domestic violence, sexual assault or stalking, in which the employee or family member was a victim of domestic violence, sexual assault or stalking; or
- participate in safety planning, temporarily or permanently relocate or take other actions to increase personal safety or that of family members from future domestic violence, sexual assault or stalking.

Employees may elect to use any sick leave or other paid time off for leave pursuant to this policy. Leave may take the form of reasonable unpaid leave from work, intermittent leave or leave on a reduced leave schedule.

Employees wishing to take leave pursuant to this policy must give advance notice of their intention to take leave. When advance notice cannot be given because of an emergency or unforeseen circumstance due to domestic violence, sexual assault or stalking, the employee or a designee must give notice no later than the end of the first day on which such leave is taken.

Verification of the need for leave may be required.

## General Handbook Acknowledgment

This Employee Handbook is an important document intended to help employees become acquainted with Creative Foam Corporation. This document is intended to provide guidelines and general descriptions only; it is not the final word in all cases. Individual circumstances may call for individual attention.

Because the Company's operations may change, the contents of this Handbook may be changed at any time, with or without notice, in an individual case or generally, at the sole discretion of management.

Please read the following statements and sign below to indicate your receipt and acknowledgment of this Handbook.

**I have received and read a copy of Creative Foam Corporation's Employee Handbook. I understand that the policies, rules and benefits described in it are subject to change at the sole discretion of the Company at any time.**

**I further understand that my employment is terminable at will, either by myself or the Company, with or without cause or notice, regardless of the length of my employment or the granting of benefits of any kind.**

**I understand that no representative of Creative Foam Corporation other than the CEO may alter "at will" status and any such modification must be in a signed writing.**

**I understand that my signature below indicates that I have read and understand the above statements and that I have received, read and understand a copy of the Company's Employee Handbook including the Non-Harassment Policy.**

Employee's Printed Name: \_\_\_\_\_

Employee's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

A signed copy of this acknowledgment should be given to Human Resources. It will be filed in your personnel file.