



# Employee Handbook

P O L I C I E S   &   P R O G R A M S

*\*For union employees, the collective bargaining agreement supersedes where a conflict exists between this Handbook and the CBA.*

January 2025

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## A Message From AMI President, Chip Ray

Welcome to the Asphalt Materials family – we are excited you are a part of our talented team of professionals!

Founded in 1956, AMI has a strong history of creating products and processes exceeding infrastructure industry standards. Our exceptional manufacturing coupled with research and development from our teammates at the Heritage Research Group generate high-quality products and services allowing us to excel in pavement preservation techniques and applications.

Our values along with our foundational commitment to safety drive our success. While we pride ourselves on the quality of workmanship that we provide the communities in which we work and live, it is our commitment to building long-term relationships and mutual trust with our customers and within those communities that set us apart.

At AMI, we are committed to our people – people who believe in tackling the industry’s biggest challenges and doing the right thing, always. Together, we create enduring value and never stop looking for new and innovative ways to create longer-lasting, safer roads.

It is my sincerest hope you find your work here meaningful and fulfilling. We believe AMI is a place where you can build your career and your future.

Again, welcome to the AMI family!

A handwritten signature in black ink, appearing to read "Chip Ray". The signature is fluid and cursive, with a large initial "C" and "R".

## Chapter 1: Introduction

Asphalt Materials, Inc. (“AMI”) supplies asphalt binders, emulsions and services from over 25 facilities across seven states. Our core strengths include the formulation, manufacturing, and research and development of these products.

We have partnered with our R&D laboratory team at Heritage Research Group since 1980 to ensure high-quality asphalt materials and processes are brought to market. We are committed to building long-term relationships and mutual trust to help customers and partners tackle the road construction industry’s biggest challenges.

Since the beginning, AMI has believed in the power of family. AMI began as a family business, and we are a proud member of The Heritage Group (“THG”) family of companies. Founded in 1930, The Heritage Group is a fourth-generation family-owned business that spans nearly a century. The Heritage Group manages a diverse portfolio of more than 50 companies specializing in construction and materials, environmental services and specialty chemicals.

In 1956, Asphalt Materials was sold from Seneca Petroleum to Dick Stephenson and second-generation Fehsenfeld family business leader Fred Fehsenfeld Sr. Today, the company continues to grow within the Heritage Construction + Materials (“HC+M”) division of THG.

HC+M is a collection of companies that provide innovative, high-quality road construction materials and services and scientific research for a wide variety of customers. Together, we make a consistent effort to provide the highest level of commitment in all that we do. Our focus on sustainability, business excellence and talent are what drive us every day. Our common pursuits, shared values and bold strategy connect our businesses.

This Employee Handbook (“Handbook”) outlines some of the policies and procedures that govern work at AMI. The Company will supply additional policies and procedures as necessary.

## Applicability of Policies and Procedures

The policies and procedures set forth in this Handbook apply to all AMI employees, including Asphalt Materials, Inc., Laketon Refining Corp, Emulsicoat Inc., Bituminous Materials & Supply, L.P., Henry G. Meigs, LLC, Meigs Transport, and Tri-State Asphalt, LLC (collectively, the “Company”). For the avoidance of doubt, these policies and procedures do not cover employees of any other business unit. Notwithstanding the foregoing, the policies and procedures set forth in this Handbook work in conjunction with, and do not replace, amend, or supplement any terms or conditions of employment stated in any collective bargaining agreement that a union has with the Company. Where policies and procedures in this Handbook differ from the terms expressed in the applicable collective bargaining agreement with the Company, employees should refer to the specific terms of the collective bargaining agreement, which will control. The Company reserves the right to modify these policies and procedures at any time.

Employees holding a Commercial Driver’s License (“CDL”) and hired into a position with the primary responsibility of driving are also subject to the AMI Driver Handbook. The policies and procedures set forth in the Driver Handbook supplement, and do not replace or modify, any policy or procedure in this Employee Handbook.

This Handbook and other relevant policies can also be found at [www.myheritagegroup.com/thg/policies/](http://www.myheritagegroup.com/thg/policies/).

# Chapter 2: Our Culture and Code of Business Conduct and Ethics

## 2.1 Our Purpose, Aspirational Future, and Non-Negotiables

### Purpose

To build a safer, more enriching and sustainable world by harnessing to the power of family.

### Our Aspirational Future

We strive to create longer lasting, safer roads with quality, reliable asphalt materials by committed, collaborative people tackling our industry’s biggest challenges. We are driven to be the best team in asphalt!

### Non-Negotiables

- The **SAFETY** of our employees, customers or contractors.
- Our **INTEGRITY** (Do the Right Thing Always)
- Our **ENVIRONMENTAL COMPLIANCE**
- Our **COMPLIANCE TO ANTI-TRUST** and **COMPETITION LAWS**

## 2.2 Our Values

At AMI, we create and innovate, and we turn big challenges into even greater opportunities. But it’s *how* we do those things that makes us different. **These are the values that guide us.**

**CREATE**  
*Enduring*  
**VALUE**

We think in generations, not quarters. We have endless opportunity to leave the world in a better place than we found it.

**BUILD  
LONG-TERM**  
*Relationships*  
**AND MUTUAL TRUST**

Constantly seek new and inventive ways to be sustainable and profitable together.

**BET ON**  
*People*

They will surprise themselves!

**DO THE**  
*Right  
Thing*  
**ALWAYS**

Don't cut corners. Do more than is asked of you. And never, ever give up.

**KEEP YOUR EYES  
OPEN FOR**  
*Opportunity*

Be a creative problem solver, not a vendor. Be flexible, adaptable and ready to pivot.

*Tackle*  
**THE BIG  
PROBLEMS**

Someone has to! Celebrate great outcomes. Even when we fail, learn and move forward together.

## 2.3 Workforce Philosophy

The Company has accepted the responsibility to provide employees with a good working environment, competitive wages and benefits, and an opportunity to succeed. The Company is committed to treating employees with respect, developing their skills, and working with them to solve workplace problems. The Company believes in open and honest communication with its employees and always prefer to do so directly with employees themselves because they are the best source of information regarding their

individual concerns. Honest communication helps avoid misunderstandings and resolve problems at an early state.

The Company will respect and partner with a third party to determine terms and conditions of work where employees at a Company location have chosen to work with or be represented by a third party.

## 2.4 Code of Business Conduct and Ethics

*This is a standalone policy applicable to all companies under The Heritage Group, including this Company, and is included in this Handbook for ease of reference. Employees may be required to read, acknowledge, and train on this policy separate from this Handbook.*

The Heritage Group and its family of subsidiary and affiliate companies (referred to as “Heritage” or “THG”) counts on all our businesses and employees to honor, enhance and expand our reputation by representing Heritage well in all interactions. We are committed to honesty, integrity and high ethical standards in all that we do. Integrity is essential to how we do business. This Code of Business Conduct sets forth the principles that guide us all to make decisions that reflect our high standards of character in the course of performing our jobs. The Code is not intended to be an exhaustive list and may be supplemented by more detailed policies and procedures. Using this Code of Business Conduct and Ethics, Heritage’s other policies and procedures, as well as applicable federal and state regulations, will support employees in their exercise of good judgment while fulfilling their daily responsibilities.

At Heritage, our values include pursuing the creation of enduring value; building long-term relationships with employees, customers and vendors based on mutual respect and trust; betting on people; keeping our eyes open for opportunities; tackling big problems; and always doing the right thing. A team approach to management allows Heritage to provide creative and effective solutions to issues affecting our customers and their industries.

The Heritage Group’s Code of Business Conduct guides the way we conduct business across The Heritage Group. This Code applies to all employees of The Heritage Group and its subsidiaries. Individual Heritage companies may elect to have more specific versions of this Code of Business Conduct and Ethics.

### **Scope**

This Code has been developed to communicate Heritage’s expectations to all employees, in order to promote the following conduct:

1. Fair Treatment and Respect for our Employees
2. Compliance with Safety and Environmental Requirements
3. Proper Business Gifts and Entertainment
4. Fair Competition (Avoidance of Antitrust Issues)
5. Avoidance of Corruption and Bribery
6. Avoidance of Conflicts of Interest
7. Protection of Confidential Information and Intellectual Property
8. Accurate and Timely Financial and Other Company Records
9. Proper use of Company Assets
10. Proper use of Company Communication and Information Technology Mechanisms
11. Community Involvement and Social Responsibility
12. Understanding of Your Role and Responsibility for Compliance with the Code



13. Prevention of Wrongdoing, and Accountability for Violations of the Code
14. Prompt Reporting of Suspected Violations of the Code
15. Other Considerations

### **1. Fair Treatment and Respect for our Employees**

The most critical element to our success is our employees. Everyone should be treated fairly and with dignity. All employees should have the opportunity to contribute to their fullest potential.

Heritage fosters a work environment that promotes equal opportunity, dignity and respect and we are committed to fostering, cultivating, and preserving a culture of diversity and inclusion. Our policies promote equal employment opportunity without discrimination or harassment on the basis of race, color, religion, creed, age, gender, gender identity or expression, sexual orientation, national origin, citizenship, disability, pregnancy, veteran status, genetic information or any other characteristic protected by law. We expect that all relationships among persons in the workplace will be business-like and free of bias, harassment and violence.

Misconduct, including discrimination, harassment, retaliation or other forms of unprofessional behavior will not be tolerated and may lead to disciplinary action up to and including termination.

### **2. Compliance with Safety and Environmental Requirements**

At Heritage, we are dedicated to designing, constructing, maintaining and operating facilities that protect our people and physical resources. It is our policy to comply with applicable safety and environmental requirements, to provide and require the use of adequate protective equipment and measures, and to insist that all work be done in a safe and responsible manner. It is the responsibility of each employee to follow all company policies and procedures related to workplace safety and compliance.

Heritage is committed to minimizing the impact to the environment. We work to continuously improve our environmental performance by setting and working toward quantifiable goals that reduce the environmental impact of our activities. We will follow applicable environmental laws and regulations in the countries where we operate.

As a fourth-generation family-owned business, we are committed to building for future generations, tackling the hardest environmental sustainability problems now, and leaving our people, our communities, and our planet better than we found them. Heritage exists to build a safer, more enriching and sustainable world by harnessing the power of family.

### **3. Proper Business Gifts and Entertainment**

Heritage's business decisions are made on merit. Therefore, we will never give or offer, directly or indirectly, anything of value to a third party, including a government official, political party or candidate, that will corruptly influence that person's/entity's business decision or allow an unfair advantage.

Conversely, an employee may not accept a gift, favor or service of more than modest value from a third party. Gifts accepted from a third party should be infrequent, and should never be requested or solicited

by an employee. Questions regarding what constitutes “modest value” or whether a business gift or entertainment activity is a permissible business expense should be directed to Human Resources.

Examples of items considered to be modest value or below include:

1. Acceptance of gifts based on family or personal relationships;
2. Acceptance of meals, refreshments or entertainment of reasonable value in the course of a meeting or event held for bona fide business purposes;
3. Acceptance of promotional material of nominal value such as pens, pencils, note pads, key chains, calendars, and similar items.

If a gift is received and is more than a “modest value”, Human Resources or the business’ General Counsel should be contacted for guidance on how to proceed with returning otherwise handling the gift.

#### **4. Fair Competition (Avoidance of Antitrust issues)**

Heritage is committed to the continuation of free enterprise and the legal and regulatory frameworks that support it. Therefore, we recognize the importance of laws that prohibit restraints of trade that would damage economic activities and support unethical business practices.

Antitrust laws are designed to prohibit practices that might unreasonably restrict competition. These laws deal with agreements and practices “in restraint of trade,” such as price fixing and boycotting suppliers or customers. They also prohibit (i) pricing intended to drive a competitor out of business; (ii) disparaging, misrepresenting or harassing a competitor; (iii) sharing or stealing trade secrets; (iv) bribery; and (v) kickbacks.

**It is our policy to comply fully with all applicable antitrust and competition laws. Employees are prohibited from engaging in practices that violate these laws.**

In all of our business dealings with customers, suppliers, and competitors, we will:

1. Embrace competition; don’t avoid it.
2. Deal honestly, directly, and fairly with all customers, competitors, and suppliers.
3. Express ourselves carefully, professionally, and accurately in all business communications, especially emails.
4. Avoid any unfair or deceptive practice and always present our products in an honest manner.
5. Treat all customers and suppliers honestly, fairly, and objectively.
6. Select suppliers based on merit and set the expectation that we expect our suppliers to compete fairly.
7. Never comment on a competitor’s product without a good basis for such statements.
8. Speak up when others within our business or our competitors are engaged in questionable or unlawful behavior.
9. Comply with all laws, including those prohibiting agreements or understandings with competitors to fix prices or other sales terms, coordinating bids or dividing sales territories, customers, or product lines. These types of agreements with competitors are generally illegal in the United States and many other markets where we conduct business.

**The ramifications of an antitrust violation are serious, both for the Company and the employee engaged in the unlawful conduct. This includes harm to Heritage’s reputation, fines, criminal risk, civil liability and damages, contractual risk and internal cost to address the violation.** If an employee has any

questions or concerns about the appropriateness of certain business practices or an interaction with our competitor(s), please consult with a supervisor, General Counsel or Corporate Counsel (where applicable), or [antitrust@thgrp.com](mailto:antitrust@thgrp.com).

## **5. Avoidance of Corruption and Bribery**

In addition to the guidance regarding Business Gifts and Entertainment, and Fair Competition, Heritage sells products internationally and sells to government agencies both domestically and internationally. This subjects Heritage to additional requirements of the Federal Acquisition Regulations and the US Foreign Corrupt Practices Act. Individual states and countries have similar and sometimes more stringent requirements. Heritage employees involved in international operations and/or sales to governmental entities have additional requirements regarding business conduct and ethical behavior, intended to avoid even the appearance of wrongdoing.

## **6. Avoidance of Conflicts of Interest**

Heritage expects its employees to conduct business according to the highest ethical standards of conduct. Employees are expected to devote their best efforts during working time to the interests of Heritage. Business dealings that appear to create a conflict between the interests of Heritage and an employee are unacceptable.

Heritage recognizes the rights of employees to engage in activities outside of their employment, which are of a private nature and unrelated to our business. However, the employee must disclose any possible conflicts so that Heritage may assess and prevent potential conflicts of interest from arising. A potential or actual conflict of interest occurs whenever an employee is in a position to influence a decision that may result in a personal gain for the employee or an immediate family member as a result of Heritage's business dealings, such as outside employment with a customer, supplier or competitor; having a significant financial interest with same; or exploiting one's position with the company for personal gain. Although it is not possible to specify every action that might create a conflict of interest, this policy sets forth those that most frequently present problems.

## **7. Protection of Confidential Information & Intellectual Property**

The protection of confidential information, intellectual property, and trade secrets is vitally important to Heritage's success. It ensures we are able to safeguard sensitive information related to our employees, innovation, operations, and our customers and partners.

Employees must understand and acknowledge that, during the course of employment by the Company, employees may have access to and learn about confidential information. Confidential information includes, but is not limited to, all information not generally known to the public, in spoke, printed, electronic, or any other form or medium related directly or indirectly to the following:

1. The Company's financial and accounting information; transactions or potential transactions; or other business agreements;
2. Intellectual property including trade secrets, patents, inventions, research findings, or product information;
3. Business strategies including pricing/marketing or unpublished goals, forecasts, and initiatives;
4. Operating plans, procedures, or training; and
5. Employee or customer-related data.

Additionally, employees must understand and agree that confidential information includes information created and developed by the employee in the course of employment by the Company is considered intellectual property owned by Heritage. As such, it must be treated as if the Company furnished the same confidential information to the employee as detailed above.

In consideration of an employee's employment by Heritage, which an employee acknowledges to be good and a valuable consideration for the employee's obligations under this policy, each employee must agree to treat all confidential information as strictly confidential; not to directly or indirectly disclose, publish, communicate, or make available confidential information; and not to access or use any confidential information, except as required in the performance of an employee's authorized employment duties to the Company.

Each employee's obligations under this policy begin immediately when the employee first has access to the Company's confidential information (whether before or after the beginning of employment with Heritage) and continues during and after the employee's employment with Heritage. Any employee who is unsure whether information should be kept confidential should always check with their supervisor, Human Resources, or Corporate Counsel (if applicable).

Without notice, Heritage may review any material created, stored, sent, or received in its network through the Internet or any other Company communication system.

Any employee who discloses trade secrets, intellectual property, and/or confidential information without authorization, uses such information for personal gain, improperly stores such information creating a risk of a breach, replicates confidential documents or sources, or otherwise violates this policy will be subject to disciplinary action up to and including termination and legal action.

This policy contained with this Code is in addition to the provisions of any other confidentiality or similar agreement an employee may have signed in consideration of or during their employment with Heritage.

## **8. Accurate and Timely Financial and other Company Records**

Heritage relies on our accounting records to produce reports for our management, creditors, governmental agencies, and others. We are committed to maintaining books and records that accurately and fairly reflect our financial transactions. Each employee must maintain accurate and fair records of transactions, time reports, expense reports and other business records.

In this respect, the following guidelines must be followed:

1. No undisclosed or unrecorded funds or assets may be established for any purpose.
2. Assets and liabilities of Heritage must be recognized and stated in accordance with our standard practices and Generally Accepted Accounting Principles ("GAAP").
3. No false or artificial entries may be made, or misleading reports issued.
4. No false or fictitious invoices may be paid or created.

It is the responsibility of each employee to uphold these standards. Employees are expected to cooperate fully with our internal and external financial auditors. Information must not be falsified or concealed under any circumstances, and an employee whose activities are the cause of the creation of false financial reporting will be subject to disciplinary action, including termination.

## **9. Proper Use of Company Assets**

Company funds and all other assets of Heritage are for company purposes only and not for personal benefit. When an employee's position requires spending company funds or incurring reimbursable travel and living expenses, the employee is expected to use good judgment on Heritage's behalf to ensure that all expenditures incurred are fair and reasonable in the circumstances and in accordance with all company policies and procedures.

Heritage's facilities, equipment, vehicles and supplies are to be used for conducting company business or associated purposes specifically authorized by management during working time. This applies to all equipment and supplies, including computers, software, and other office supplies and equipment. All employees should protect Heritage's corporate assets and ensure their efficient use.

#### **10. Proper Use of Company Communication and Information Technology Mechanisms**

All employees are required to use Heritage's communication resources in a lawful manner. This includes company email, voicemail, network drivers and internet access. All communication and information technology systems are the property of Heritage. To ensure that the use of the Company's communications systems are consistent with legitimate business interests, the Company retains the right to monitor the use of such resources from time to time, and employees hereby consent to such monitoring.

Company communication resources shall be used for business or job-related purposes during working time. Any personal use of Company email must be limited to non-working time (e.g., breaks and lunch periods) and be in compliance with all other Company policies (including but not limited to non-discrimination and anti-harassment policies or any provision of this Code).

It is generally not Heritage's intent to monitor internet access or messages on voicemail and e-mail systems. However, Heritage reserves the right to do so in appropriate circumstances, consistent with applicable laws and regulations.

Use of computer, tablet, or smartphone resources for any of these activities is strictly prohibited:

1. Viewing, transmitting, retrieving or storing material that may be considered in violation of Company policies, such as the nondiscrimination and anti-harassment policies; accessing sites containing sexually explicit or pornographic material, or other unlawful material.
2. Transmitting any messages containing discriminatory or harassing remarks about an individual or group's race, color, religion, creed, age, gender, gender identity or expression, sexual orientation, national origin, citizenship, disability, pregnancy, veteran status, genetic information, or any other legally protected characteristic.
3. Disseminating or storing commercial or personal advertisements, promotions, destructive programs (that is, viruses or self-replicating code).
4. Using or copying software in violation of a license agreement or copyright.
5. Using Company communication systems for any other purpose which is illegal.

In handling Heritage's information or information owned by a third party and/or licensed by Heritage, employees should comply with copyright laws, computer software licensing agreements, and relevant Company policy. Information technology representatives can provide advice and assistance in protecting computer-based information in accordance with Heritage's policies on information security.

#### **11. Community Involvement and Social Responsibility**

We support our employees' rights to express their opinions in a public forum and encourage engagement with the communities in which we live and work. Employees' behavior in the community and in social media forums should avoid adversely impacting the Company's reputation, customer or vendor relationships, or relationships with the community or otherwise risking violation of this Code.

Heritage encourages its employees to become involved in civic affairs and to participate in the political process. However, employee's participation and involvement must be on an individual basis, on their own time, at their own expense, and should avoid any conflict of interest. Unless authorized, employees who participate in partisan political activities should not suggest or state that they speak or act for Heritage. An employee who seeks election or appointment to public office should discuss any plans to qualify for or accept appointments to public office with the Company in order to resolve possible conflicts.

In the United States, federal law prohibits corporations from donating corporate funds, goods, or services (including employees' work time), directly or indirectly, to candidates for federal offices. Local and state laws also govern political contributions and activities as they apply to their respective jurisdictions. Similar laws exist in other countries.

## **12. Understanding of Your Role and Responsibility for Compliance with the Code**

All employees are required to comply with applicable governmental laws, rules and regulations wherever Heritage does business. This is in addition to company-specific work rules, policies and procedures.

All employees are expected to work in a cooperative manner with management/supervisors, coworkers, customers and vendors to follow consistently both the meaning and intent of this code. Managers and leaders are expected to ensure that our business processes and practices reinforce the Code of Business Conduct. Additionally, managers and supervisors are expected to serve as positive role models in the course of their work duties by establishing and adhering to high ethical standards and to create an ethical culture by encouraging and rewarding actions that are consistent with the Code.

The Code of Business Conduct cannot anticipate every conceivable situation. You should be alert that you or your colleagues may be in a gray area and ask yourself these three questions:

1. How would this decision look to others within Heritage or externally?
2. Am I willing to be held accountable for this decision? And,
3. Is this consistent with Heritage's Code of Business Conduct and Ethics?

You should seek guidance when a situation may not be clear. Your supervisor or Human Resources will respond to questions and issues of interpretation about the Code.

## **13. Prevention of Wrongdoing, and Accountability for Violations of the Code**

Heritage takes these provisions of the Code of Business Conduct very seriously, and we will treat any violations of this Code accordingly. A failure by any person to comply with applicable laws, rules or regulations governing our business, this Code or any other policies or requirements may result in disciplinary action up to and including termination and, if warranted, legal action. The intention of this Code is, however, preventive in nature, by providing employees with knowledge and understanding sufficient to avoid any violations or wrongdoing.

## **14. Prompt Reporting of Suspected Violations of the Code**

If you have any questions or concerns about compliance or matters discussed within this Code, talk with your supervisor, your Human Resources group, or General Counsel or Corporate Counsel (where applicable). You are expected to promptly report any violations of this code to your supervisor, Human Resources Department or through the Heritage Ethics Hotline. Failure to promptly notify a supervisor or Human Resources Department of a violation of this Code is a breach of the Code and may result in action by Heritage.

You can discuss your concerns or suspected violations without fear of any form of retaliation. When you report a suspected violation of the Code of Business Conduct through the established procedures:

1. You will be treated with respect.
2. Your concerns will be taken seriously. If your concerns are not resolved at the time of your report, you will be informed of the outcome if you provide your contact information or retain your PIN number through the IntegraReport online reporting platform (if applicable).
3. You will not be required to identify yourself. However, specific information regarding the concern allows us to more swiftly respond to issues raised.
4. Your communication will be protected to the greatest extent possible.

**Ethics Hotline: IntegraReport**  
**Voice Hotline: 1-888-THG-1930**  
**Online: [THG.IntegraReport.com](https://THG.IntegraReport.com)**

## **15. Other Considerations**

This Code is intended to be interpreted or applied in any manner that is consistent with an employee's rights to communicate under any law.

Nothing in this Code, however, is intended to prevent employees from discussing the terms and conditions of their employment, or from engaging in concerted activity protected by law.

The application of the Code shall be subject to any restrictions or rights that may arise from the law in any locality, state or country in which Heritage operates.

## Chapter 3: Non-Discrimination Policies

### 3.1 Equal Employment Opportunity (EEO) and Non-Discrimination

The Company is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that provides equal employment opportunities and prohibits discrimination.

Equal Employment Opportunity has been, and will continue to be, a fundamental principle of the Company where all employment decisions are based upon personal capabilities and qualifications without regard to race, color, religion, sex, pregnancy, sexual orientation, gender identity, genetic information, age, national origin, physical or mental disability, military status, veteran status, citizenship status, protected activity (e.g. opposition to prohibited discrimination or other unlawful activity or participation in a statutory complaint process), or any other protected characteristic as established by law. The Company prohibits and will not tolerate any such discrimination.

This policy applies to all phases of employment and personnel actions including, but not limited to, recruitment, hiring, promotion, demotion, transfers, rates of pay and other forms of compensation, selection for training, discipline, and termination of employment. The Human Resources Department has overall responsibility for this policy and maintains reporting and monitoring procedures.

### 3.2 Anti-Harassment

The Company prohibits all forms of harassment including sexual harassment and harassment based on race, color, religion, national origin, sex, pregnancy, sexual orientation, gender identity, genetic information, age, disability, military status, veteran status, citizenship status, protected activity, or any other characteristic protected by law. This applies to all employees and non-employees at Company work sites or functions.

Harassment is any unwelcome communication or action towards another individual that (1) impacts their ability to conduct their work because of the creation of a hostile or offensive work environment, and/or (2) when it results in an adverse employment decision.

Examples of harassing conduct includes, but is not limited to, the following:

- Making comments about a person's clothing, body, or looks;
- Mimicking a physical characteristic or impediment of a disabled employee;
- Making derogatory jokes or personal insults, using racial slurs, and expressing disgust or intolerance toward a particular race, gender, or other protected class;
- Labeling someone or name-calling based on protected classes, upbringing, or socioeconomic level;
- Mocking a worker's accent;
- Making threats or displaying discriminatory symbols;
- Using derogatory language and homophobic slurs, making disparaging remarks about someone's perceived sexual orientation, or intentionally misgendering someone;
- Denying someone's access to a restroom consistent with their gender identity;
- Wearing clothing that could be offensive to another ethnic group (e.g., tasteless Halloween costume);
- Making negative comments about an employee's personal religious beliefs;



- Posting, distributing, or otherwise circulating materials containing offensive content; or Excluding a co-worker or subordinate employee of another race or sexual orientation, etc. from staff meetings or failing to inform the employee about company social events or opportunities for advancement.

Sexual harassment of any kind will not be tolerated. Sexual harassment is prohibited regardless of gender. Prohibited conduct includes many forms of offensive behavior including, but not limited to, the following:

- Unwelcome sexual advances;
- Requests for sexual favors;
- Acts of physical aggression, intimidation, hostility, threats, or unequal treatment based on sex (even if not sexual in nature);
- Inappropriate or adverse treatment because an employee does not fit a gender stereotype;
- Visual conduct such as leering, making sexual gestures, displaying sexually suggestive objects, photos, screen savers, cartoons, or posters;
- Sending obscene, pornographic, or otherwise inappropriate communications, including suggestive or obscene letters, invitations, notes, emails, or messages;
- Making or using derogatory comments, epithets, slurs, and sexist or sexual jokes;
- Graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual; and
- Physical conduct such as touching, assault, impeding or blocking movement.

Because it is difficult to predict when conduct or comments might be “unwelcome” or perceived as offensive, employees should avoid all such conduct and behave in a professional manner at all times. The Company prohibits inappropriate behavior regardless of whether anyone has complained about the inappropriate behavior, and regardless of whether the person engaging in the inappropriate behavior intended for it to be offensive. This policy also prohibits inappropriate behavior which was intended only as a joke or was not supposed to be seen or overheard by others.

No manager, employee, or non-employee shall threaten or insinuate that another employee's or applicant's refusal to submit to sexual advances will adversely affect any aspect of that person's employment. No manager or employee shall promise, imply, or grant any preferential treatment to another employee or applicant in exchange for engaging in sexual conduct. No manager or employee shall engage in another inappropriate behavior which has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile, or offensive working environment.

### **Rights and Responsibilities**

If an employee believes they are being subjected to conduct or comments that violate this policy, and they feel comfortable doing so, to the employee should tell the individual engaging in the behavior that conduct is offensive and ask that it stop. If that does not work, or if the employee feels uncomfortable doing that, the employee must immediately report these matters to their manager, the Senior Manager over the area, to any other member of management, Human Resources, or the **Ethics Hotline at 1-888-THG-1930** or [THG.IntegraReport.com](https://www.thg.com/IntegraReport). If the employee believes they have been subjected to behavior that violates this policy by the manager or other leadership with authority over them, the employee should

immediately report the matter to Human Resources or the **Ethics Hotline at 1-888-THG-1930** or [THG.IntegraReport.com](https://THG.IntegraReport.com).

Early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment. For this reason, an employee should always make a report as soon as possible and should not wait for a situation to become worse or unbearable before making a report.

### **Managers' Responsibility**

All managers are responsible for creating and maintaining a work environment free from harassment. If a complaint is made to a manager, the manager is required to notify Human Resources.

### **Retaliation Is Prohibited**

The Company prohibits retaliation against any individual that reports discrimination or harassment or participates in an investigation of such reports. Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action, up to and including termination. Any employee who feels that he or she has been threatened with, or subjected to, such reprisal or retaliation should immediately report the reprisal or retaliation to their supervisor or Human Resources.

While the Company is committed to preventing and correcting unlawful discrimination, harassment, other inappropriate behavior, and retaliation, it also recognizes that false accusations may harm the innocent party who is falsely accused. Accordingly, any employee who, after an investigation, is found to have knowingly made a false accusation of discrimination, harassment, other inappropriate conduct, or retaliation will be subject to appropriate disciplinary action. If an employee makes a report of what they believe in good faith to be discrimination, harassment, other inappropriate behavior, or retaliation, the employee will not be subjected to disciplinary action, even if the employee turns out to have been mistaken.

### **The Investigation**

Any reported allegations of harassment, discrimination, or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge. Confidentiality will be maintained throughout the investigation process to the extent consistent with adequate investigation and appropriate corrective action.

### **Responsive Action**

Misconduct constituting harassment, discrimination, or retaliation will be dealt with appropriately. Responsive action may include, for example, training, referral to counseling, and/or corrective action such as warning, reprimand, withholding of a promotion or pay increase, reassignment, temporary suspension without pay or termination, or termination of employment, as the Company believes appropriate under the circumstances.

Finally, these policies should not, and may not, be used as a basis for excluding or separating individuals of a particular gender, or any other protected characteristic, from participating in business or work-related social activities or discussions in order to avoid allegations of harassment.

Individuals who have questions or concerns about this policy should contact Human Resources.

### 3.3 Americans with Disability Act (ADA) and Reasonable Accommodations

The Americans with Disabilities Act (ADA) and the Americans with Disabilities Amendments Act (ADAAA) are federal laws that require employers with 15 or more employees to not discriminate against applicants and employees with disabilities and, when needed, to provide reasonable accommodations to applicants and employees who are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

It is the Company's policy to comply with all federal and state laws concerning the employment of individuals with disabilities and to act in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC). Furthermore, it is the Company's policy not to discriminate against qualified individuals with disabilities regarding application procedures, hiring, advancement, termination, compensation, training or other terms, conditions, and privileges of employment.

Employees who believe they have a mental or physical disability and require reasonable accommodations to perform the essential functions of their job should contact Human Resources with any questions or requests for accommodations. The Company will then engage in an interactive dialog with the individual employee to verify the existence of a disability covered under applicable law, identify possible accommodations, and determine which accommodations the Company can and will reasonably provide under the specific circumstances.

All employees are required to comply with the company's safety standards. Employees who pose a direct threat to the health or safety of themselves or other individuals in the workplace will be placed on leave until a decision has been made regarding the employee's immediate employment situation.

Individuals who are currently using illegal drugs are excluded from coverage under the company ADA policy.

This policy complies with the Pregnant Workers Fairness Act.

### 3.4 Religious Accommodations

The Company respects the religious beliefs and practices of all employees and will make, on request, an accommodation for such observances when a reasonable accommodation is available that does not create an undue hardship on the business.

An employee whose religious beliefs or practices conflict with their job, work schedule, or with the Company's policy or practice on dress and personal appearance, or with other aspects of employment should contact Human Resources regarding their need for an accommodation. The Company will then engage in discussions with the employee to understand the need for such accommodation and determine whether an accommodation is available.

### 3.5 Lactation Support in the Workplace

The Company will provide breaks and a private comfortable space for employees who desire space and facilities (such as refrigeration) for lactation. If space is not readily available, please reach out to Human Resources. The Company will take all reasonable steps to accommodate an employee needing to express breast milk during the workday.

Employees storing milk in a Company refrigerator assume all responsibility for the safety of the milk and the risk of harm for any reason, including improper storage, refrigeration, and tampering.

## Chapter 4: Basic Employee Policies

### 4.1 General Rules and Regulations

The Company expects employees to act professionally; perform their jobs as assigned; and abide by all handbooks, policies, guidance, or other communicated rules and regulations. When inappropriate behavior, performance issues, or other violations occur; the Company will address each incident with a progressive corrective action process, as detailed in this policy. Progressive corrective action generally follows the steps as listed below:

1. Coaching and Training
2. Documented verbal warning
3. Written warning
4. Suspension and final written notice
5. Termination

However, depending on the seriousness of the offense, one or more of the progressive steps may be bypassed when the violation is so severe or egregious as to compel termination of employment even for the first offense.

The corrective action period will remain active for one year unless otherwise noted.

The Company reserves the right to skip any corrective action step as necessary to protect the safety, integrity, and culture of the company, up to and including termination. Guidance for the progressive corrective action process is based on the category of offense.

#### Category 1 offenses

Category 1 offenses will result in an automatic termination. Examples of Category 1 offenses may include, but are not limited to the following:

- Intentional violation of Cardinal Rules
- Carrying or concealing weapons on Company property (keeping a weapon in a personal vehicle in a company parking lot is not subject to this rule where such action is allowed by law)
- Physical abuse, threats, harassment, or bullying of an employee, contractor or vendor, guest, or visitor
- Theft, embezzlement, or fraud
- Intentional falsification of records, documents, or statements
- Willfully negligent/intentional disregard for federal, state, or local laws and guidelines
- Unauthorized use or possession of alcohol on Company property or while on company business during working hours
- Any use of illegal substance or possession of illegal substance on Company property
- Physical fighting or physical horseplay
- Vandalism or defacing Company property or employee property
- Removing Company records or other confidential information from the facility without proper authorization, including photos
- Disabling or defeating high-level alarms, electrical breakers, lockouts, or other safety devices without written approval by an authorized agent of the Company

## **Category 2 offenses**

Category 2 offenses will result in written warning or a suspension with a final warning. Suspensions may be with or without pay depending on the offense. The length of suspension may vary from two days to a week, depending on the seriousness of the infraction. The corrective action period for Category 2 offenses will remain active for the duration of employment should a final warning be issued. Examples of category two offenses may include, but are not limited to the following:

- Unintentional violation of Cardinal Rules
- Grossly negligent failure to follow other company procedures
- Refusal to complete assigned work in a manner that meets company safety procedures
- Smoking on company property in violation of facility policy and designated smoking area
- Intentionally sleeping on company property during working hours
- Leaving company property during work hours without permission from a manager
- Failure to report a spill or unsafe condition (such as malfunctioning equipment) to a manager
- Failure to report an accident or injury to a manager

## **Category 3 offenses**

Category 3 offenses are intended for incidents that do not involve safety violations, egregious or gross misconduct, or harm to another individual. The result of a Category 3 offense is to move through the progressive corrective action steps beginning with coaching, feedback, and training. Examples of Category three offenses may include, but are not limited to the following:

- Unintentional sleeping on the job
- Unintentional failure to follow general company procedures
- Failure to report errors
- Consistently late for work
- Unexcused absence from work
- Failing to work productively with work colleagues
- Consistently producing flawed work
- Struggling to follow instructions

## **4.2 Outside/Competing Employment**

While outside employment is not generally prohibited, such employment must not present a conflict of interest with an individual's employment at the Company, impede or otherwise affect an employee's ability to properly perform their job duties, or interfere with their availability to work overtime or additional hours as needed. Any outside employment which is performed on Company premises or entails using Company-owned programs, materials, tools, or equipment is prohibited. Outside employment will not be permitted during any leave periods, including FMLA leaves.

Outside employment will not be considered a valid reason for absenteeism, tardiness, or poor job performance. Before accepting outside employment, employees should inform their manager of their intention so that the manager can ensure that such employment does not present an unacceptable conflict of any kind with the Company or with the employee's continued employment with the Company.

### 4.3 Employment of Relatives and Fraternization

It is the Company's intent to avoid misunderstandings, actual or potential conflicts of interest, complaints of favoritism and similar problems that may result from family or romantic relationships within the workplace. While it is not the Company's intent to infringe upon the normal development of friendships or romantic relationships within the workplace or discourage the hiring of relatives or other close relations, the Company does require clear boundaries between each employee's personal and business interactions as defined in this policy.

For purposes of this policy, a relative is defined as any person who is related by blood, marriage, adoption or other legal guardianship, or whose relationship with the employee is similar to that of a person related by blood or marriage. A relative may be hired only if they will not be working directly for, or supervising, a relative. A relative may not have direct or indirect control over the compensation and/or career path/job responsibilities of a relative. If two employees become relatives after each has already been employed, an attempt will be made to reassign one of the parties, or otherwise mitigate the impact of the change, to ensure compliance with this policy. If necessary, one of the employees may be required to leave the Company. Exceptions to this policy must be approved by the head of the operating unit in conjunction with Human Resources and will be documented within an employee's personnel file.

The Company recognizes that the workplace is often a common ground through which people meet and develop close relationships. Personal and/or romantic relationships between two non-managerial employees that do not create a conflict of interest, cause disruption, create a negative or unprofessional work environment, or present concerns regarding supervision, safety, security or morale, are not prohibited. However, should such a relationship lead to any of these consequences, the situation will be immediately subject to review by management and could result in corrective action, up to and including termination of employment for one or both individuals.

Personal and/or romantic relationships between an employee in a managerial position and any other Company employee (peer, subordinate, or otherwise) must be immediately disclosed to management and Human Resources. The disclosure will enable the Company to determine whether any conflict of interest exists because of the relative positions of the individuals involved. If a conflict of interest is identified, the Company will work to mitigate the concern. If necessary, one of the employees may be required to leave the Company.

Employees are encouraged to raise questions regarding this policy to Human Resources. An employee who feels they have been disadvantaged as a result of this policy or who believes this policy is not being adhered to should contact Human Resources.

### 4.4 Personal Conduct

The Company respects the privacy interests of its employees and recognizes their right to conduct their personal lives free from interference from the Company. Nonetheless, employees should keep in mind that, even while off duty, they represent the Company to the public and should strive to preserve the Company's reputation. In addition, certain types of off-duty conduct may reflect poorly upon an employee's character and judgment and thereby influence their standing as an AMI employee. Therefore, employees who engage in unprofessional or criminal conduct or other serious misconduct while off duty may be subject to corrective action by the Company, including termination of employment, if such conduct is determined by management to be harmful (or potentially harmful) to the Company's corporate

image, inconsistent with expectations of employees, or otherwise adversely affects the Company's legitimate business interests.

This policy will not be applied to prevent employees from discussing their terms and conditions of employment or from otherwise exercising their rights under the National Labor Relations Act (NLRA) or other laws, as applicable.

#### 4.5 Personal Appearance

The presentation of the Company image to its customers, business partners, and the public is extremely important. It is expected that employees dress in a manner that is consistent with professional good taste and appropriate for the department and the job they perform.

It is recognized that certain job requirements, or individual choice, may favor more traditional business dress while other jobs may allow for or require uniforms, work clothes, or personal protective equipment ("PPE") to meet standardization or safety requirements. In some cases, employees may need to maintain a clean-shaven appearance to ensure proper use of hazardous condition or emergency respirator equipment.

In the absence of specific guidelines, employees are expected to use good judgment in presenting a businesslike appearance to the Company's customers, visitors and colleagues, and in dressing more formally on business occasions when appropriate. Guidelines can never be written to cover all circumstances and address all business needs. Outside of directives, the best guideline as to what is appropriate is to use common sense.

#### 4.6 No Solicitation/Distribution and Bulletin Boards

The Company limits solicitation and distribution on its premises because, when left unrestricted, such activities can interfere with the normal operations of the organization, can be detrimental to employee efficiency, and can pose a threat to security.

Employees are not permitted to solicit for any activity (unless directly related to an activity sponsored by the Company) while either the employee(s) doing the soliciting or the employee(s) being solicited is/are on working time. "Working time" does not include scheduled breaks or meal periods. Employees are not permitted to distribute literature (i.e., printed matter of any kind) during working time, nor are they permitted to distribute literature in work areas at any time.

Although active solicitation is always prohibited, employees may place information regarding certain fundraising activities such as school, youth, or scout programs in employee break areas. The Company reserves the right, at its discretion, to remove any materials at any time.

Persons not employed by the Company may not solicit or distribute literature of any kind for any purpose on Company premises at any time.

Off-duty employees may not access internal Company facilities or other work areas at any time.

Bulletin boards are maintained and authorized by the Company and are to be used only for posting or distributing Company notices, business announcements, required legal notices and, in some locations, job postings. Employees may not post any material, nor remove any material from the bulletin boards. Unauthorized material will be removed.



All employees are expected to periodically view the bulletin boards for new and/or updated information, and to comply with any posted rules or instructions.

## Chapter 5: Attendance and Time Away from Work Policies

### 5.1 No-Fault Attendance

Employees are expected to be at work on a regular and punctual basis as a condition of continued employment. Unplanned absences can be disruptive, affect employee morale, and create an unfair burden on those who must manage the work of an absent employee. Dependability is a basic requirement when considering an employee for performance increases, training opportunities, and promotions.

Employees are expected to report to work as scheduled, on time and prepared to start work. Employees are also expected to remain at work for their entire work schedule, except for break periods or when required to leave on authorized Company business. Late arrival, early departure, or other absences from scheduled hours are disruptive and must be avoided.

Even though employees may have paid time off available to cover an absence, the employee will still be held accountable for the absence, unless otherwise protected by law.

Employees covered by a collective bargaining agreement should refer to their respective agreements for a description of any absence and tardiness policies.

If an employee is going to be late or absent for any reason, they must refer to local business or location rules on how to contact their immediate manager or another manager as soon as possible. Unless local rules dictate otherwise, contact should be via telephone, not voicemail, email, or text. Except in an emergency, contact may not be made by a third party.

In all cases of absence or tardiness, employees must provide their manager with an honest reason or explanation. Documentation of the reason may be required. Employees also must inform their manager of the expected duration of any absence.

Excessive absenteeism may be grounds for corrective action up to and including termination of employment. Generally, any unexcused absence will be considered excessive. An unexcused absence here is defined as any absence not previously approved by a manager and does not have paid time off to cover the absence or otherwise protected by local, state, or federal law.

Any employee who fails to report to work without notification to their manager for a period of three (3) consecutive workdays or more will be terminated for job abandonment unless the employee is on a pre-approved leave of absence or there are extraordinary mitigating circumstances as determined by the Company in its sole discretion.

#### **During the Orientation Period**

A new employee's attendance record is an important measure of the potential for long-term success with the Company. Accordingly, employees with unsatisfactory attendance of more than three (3) cumulative days during the first ninety (90) days of employment will be subject to corrective action, including immediate termination, without formal verbal and written warnings.

## 5.2 Emergency Closure

Safety is our highest priority. As such, in cases of inclement weather and/or emergency situations, the Company may announce a full closure at any of its facilities where employees will be advised to not come to the work site. Employees should consult with their manager for arrangements to work from home, where applicable.

Emergency situations can arise from local officials declaring a weather/travel emergency, or a Company leader declaring a local office emergency (e.g. weather, office conditions like no power, no heat, plant outage or closure). In the absence of a Company or local official-initiated emergency event, employees are encouraged to make their own determination of whether it's safe to travel to their work site. In this case, employees should notify their manager as soon as possible once conditions have been determined to be unsafe for travel. Employees may choose to use paid time off or be unpaid for this absence.

If a decision to close a facility is made, notification and communications will be made as soon as practical to all affected employees. When operations are officially closed due to conditions described in this policy, the Company will pay affected employees for the time missed.

## 5.3 Paid Time Off

### **Paid Time Off (PTO) Benefits: Eligibility and Purpose**

Full-time and part-time employees are eligible for Paid Time Off (PTO). Union employees should refer to their collective bargaining agreements. Seasonal employees should refer to 5.4 Seasonal Employee Personal Time policy. The purpose of PTO is to provide flexible paid time off from work that can be used for the diverse needs of our employees, such as vacation, illness, personal days, appointments, volunteerism, and any other reason as deemed necessary by the employee. The Company encourages employees to plan and take time off throughout the year to rest, recharge, and spend time away from work.

### **PTO Accrual**

PTO is earned based on hours worked, beginning on the date of hire. PTO hours accrue based on all hours (regular and overtime) worked, scheduled PTO hours, holiday hours, and other company paid time off, unless explicitly stated otherwise. For salaried exempt employees and mileage drivers, 8 hours per day, 5 days per week will be used for PTO calculation. For all employees, PTO will accrue while on any paid leave of absence up to 6 months, whether paid by the company or a third party, such as a short-term disability carrier.

PTO accrual is based on the employee's years of service with the Company as illustrated in the table below. Employees crossing the threshold for the next accrual level will begin earning at the new accrual rate at the beginning of the year in which the years of service will be met.

Employees may accrue until they reach their maximum annual accrual offering. Once the maximum annual accrual offering is reached, PTO hours will no longer accrue until the next calendar year. Up to 40 hours of accrued, unused PTO will carry over to the following calendar year.

PTO resets on January 1 each year (i.e., accrued, unused PTO that is not eligible for carry over is forfeited at the end of each calendar year).

Years of Service	Maximum Annual Accrual Offering	Accrual Rate
0-5	120 hours	1 hr. per 17.3 hrs. worked
6-10	160 hours	1 hr. per 13 hrs. worked
11+	200 hours	1 hr. per 10.4 hrs. worked

### Timing and Use of PTO

PTO hours are generally used in whole-day increments. However, employees may take partial days of PTO when doing so will not negatively impact business productivity or as otherwise provided by applicable law. Scheduling PTO in facilities with continuous operations may be subject to further restrictions as defined by that location. Employees with extended time away for illness and other non-work reasons should discuss with their manager and HR to determine the appropriate type of leave.

All scheduling of PTO is subject to manager approval. If a PTO request would pose a business disruption, or multiple employees request for the same day, managers reserve the right to deny requests to not unduly affect business productivity or efficiency. In this circumstance, requests will be considered in the order in which they were received. In the event of a conflict between the terms of this policy and applicable law, applicable law will govern and supersede the relevant provisions of this policy.

Managers should encourage employees to take time off throughout the year and conduct periodic reviews of PTO balances for their employees to ensure there are no excessive negative/positive balances to address.

Full-time employees may borrow time before it is accrued up to 80 hours. Part time employees may borrow time before it is accrued up to 40 hours. Any negative PTO balance at the end of any calendar year will roll into the next calendar year, unless as otherwise required by applicable law.

Requests to take PTO should be made according to local business unit request processes. The amount of PTO time charged or paid for a day is a minimum of 8 hours for full time employees, except as otherwise required by applicable law.

If an employee does not work all of their scheduled days and/or hours, PTO **will be used** to cover the time missed.

### PTO Pay

PTO is based on the regular pay rate; it does not include overtime or any other premium pay and is not counted as hours worked for purposes of computing overtime hours. PTO is paid through the regular pay cycle and is subject to all normal taxation and withholdings.

If a Company-paid holiday occurs during an employee's PTO, the employee will receive holiday pay for that day instead of PTO, except where the employee is scheduled to work on a designated holiday.

### PTO Remaining at the End of the Year

Employees who have PTO time remaining at the end of the year may roll over up to 40 hours of PTO to be used in the next calendar year. Time not eligible to be rolled over will be forfeited if not used.

## **PTO at the End of Employment**

When employment ends for any reason whatsoever, the available accrued and unused PTO balances will be payable to the employee in a lump sum payment. Upon the end of employment, payout of accrued, unused PTO is capped at the annual accrual offering for years of service, except as otherwise required by applicable law. PTO will not accrue on PTO hours paid out at time of termination. The Company reserves the right to collect any negative balance PTO accrual at the end of employment from any other final pay due to the employee.

## **Coordination of PTO with FMLA**

The Company provides leaves of absence to eligible employees for certain family and medical reasons. This policy is intended to comply with a federal law known as the Family and Medical Leave Act of 1993 (FMLA). The use of Family and Medical Leave (FML) is coordinated with PTO. Generally, leave under FMLA is unpaid. If, however, an employee has unused PTO available, and the leave request is approved, an employee must use their PTO balance unless another benefit takes over. If PTO is used during a FMLA qualified leave of absence, FML hours will run concurrent with any paid time off during leave.

**Addendum 1** (Arizona, California, Colorado, Connecticut, Massachusetts, Maryland, Michigan, Minnesota, Montana, Nebraska, New Jersey, and Oregon)

This Addendum applies to employees working in Arizona, California, Colorado, Connecticut, Massachusetts, Maryland, Michigan, Minnesota, Montana, Nebraska, New Jersey, and Oregon. In the event of a conflict between the terms of the policy and Addendum 1, Addendum 1 governs and supersedes the relevant provisions of the policy with respect to employees working in these states.

Accrued, unused PTO carries over to the following calendar year. The maximum accrual cap equals two times the amount of PTO that the employee can accrue in a single year. An employee accrues PTO until the employee's accrued PTO reaches the maximum accrual cap. Once an employee's accrued PTO reaches the maximum accrual cap, the employee will not accrue further PTO until the employee uses accrued PTO and the employee's accrued PTO balance falls below the maximum accrual cap. Employees will not receive retroactive credit for any period of time in which their accrued PTO balance was at the maximum accrual cap.

**Addendum 2** (District of Columbia, Nevada, New Mexico, New York, Vermont, and Washington)

This Addendum applies to employees working in the District of Columbia, Nevada, New Mexico, New York, Vermont, and Washington. In the event of a conflict between the terms of the policy and Addendum 2, Addendum 2 governs and supersedes the relevant provisions of the policy with respect to employees working in these states.

Accrued, unused PTO carries over to the following calendar year. When employment ends for any reason whatsoever, accrued, unused PTO will be payable to the employee in a lump sum payment, up to the amount of PTO that the employee can accrue in a single year, and any accrued, unused PTO in excess of that amount will be forfeited.

### **Addendum 3** (Illinois, Maine, and Rhode Island)

This Addendum applies to employees working in Illinois, Maine, and Rhode Island. In the event of a conflict between the terms of the policy and Addendum 3, Addendum 3 governs and supersedes the relevant provisions of the policy with respect to employees working in these states.

Accrued, unused PTO carries over to the following calendar year.

## **5.4 Seasonal Employee Personal Time**

Seasonal employees are allotted eight (8) hours<sup>1</sup> of paid personal time at the beginning of each calendar year, or on the hire date for new seasonal employees. Employees can choose to use personal time for absences from work when they would otherwise not be paid such as managing personal business, school-related visits, family emergencies and medical/dental appointments.

Personal time is not considered time worked for purposes of calculating overtime.

### **Scheduling of Personal Time**

By its very nature, personal time is often used for unexpected time away from work. However, to the extent possible, an employee should notify their manager as soon as possible when personal time is needed. Employees who are absent from work due to illness or injury must notify their manager within the notification time frame required in the work area. Personal time must be used in minimum increments of one (1) hour.

### **Unused Personal Time**

Unused personal time will be paid out in January or upon layoff, whichever occurs first, for the calendar year prior, and after employment termination.

<sup>1</sup>Seasonal employees working in Illinois are covered under 5.3 Paid Time Off Policy, Addendum 3.

## **5.5 Holidays**

### **Company – Observed Holiday Schedule**

The Company observes the following days each year as a paid holiday for eligible employees.

- New Year's Day
- Martin Luther King Jr. Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day
- New Year's Eve

In addition, eligible employees receive one (1) floating holiday per calendar year.

## **Holiday Observed**

If a holiday falls on a Saturday, it is generally observed on the preceding Friday. If a holiday falls on a Sunday, it is generally observed on the following Monday.

## **Eligibility**

All employees are eligible for Company - Observed Holidays. The employee must work or use vacation benefits on the last scheduled workday preceding the holiday, or on the first scheduled workday after the holiday to be eligible to receive holiday pay.

Regarding the floating holiday, regular, full-time employees are eligible. Part-time, seasonal, and intern employees are not eligible for the floating holiday.

## **Holiday Pay**

Eligible full-time employees will receive eight (8) hours of base pay for each holiday observed.

Eligible part-time, seasonal, or intern employees who are normally scheduled to work on a day that is observed as a company holiday will receive their normally scheduled hours of base pay (i.e., if the employee normally works a 4-hour shift on a Monday and it is appointed as a company paid holiday, they will receive 4 hours of holiday pay).

If an employee is on vacation when a holiday is observed, the employee will be paid for the holiday and will be granted an alternate day of vacation at a later date.

Any hourly, non-exempt employee required to work on a holiday will receive double-time payment for the hours worked.

Holiday pay is treated as time worked for purposes of calculating overtime.

## **Floating Holiday**

Eligible full-time employees will receive eight (8) hours of floating holiday pay.

The floating holiday hours may be scheduled for one business day (cannot be split into two half days). The floating holiday must be scheduled and approved by management in advance according to the local business guidelines. An unused floating holiday does not roll to the next calendar year and it not payable upon separation.

Floating holiday pay is treated as time worked for purposes of calculating overtime.

## **5.6 Family and Medical Leave Act (FMLA)**

To balance the demands of the business and the family needs of employees, the Company provides leaves of absence to eligible employees for certain family and medical reasons. This policy is intended to comply with a federal law known as the Family and Medical Leave Act of 1993 (FMLA).

## Eligibility

An employee is eligible to request FMLA leave if have worked for the Company, as of the date the requested leave is to begin: i.) for at least 12 months, and, ii.) for at least 1,250 hours during the previous 12 months prior to the date the leave begins, and work at or report to a worksite which has 50 or more employees or is within 75 miles of Company worksites that taken together have a total of 50 or more employees.

The 12 months that an employee must have been employed by the Company to be eligible for FMLA leave need not be consecutive. Except in certain limited circumstances relating to military leave, any period of employment with the Company prior to a break in service of seven years or more will not be counted in computing the 12 months' service requirement.

An employee may request FMLA leave for the following reasons:

- a. *Parenting Leave.* An employee may take this type of leave to care for a new child. This includes new children by birth, by adoption, or foster care placement.
- b. *Family Medical Leave.* They may take this type of leave to care for the serious health condition of their spouse, child, or parent.
- c. *Employee Medical Leave.* They may take this type of leave for their own serious health condition if the condition renders the employee unable to perform their job functions.
- d. *Military Family Leave.* They may take this type of leave for the employee's own "Qualifying Exigency" arising out of the fact that their spouse, son, daughter, or parent is on covered active duty in the Armed Forces. More information on State Military Family Leave (SMFL) can be found in the Military and Military Family Leave policy.
- e. *Military Caregiver Leave.* The employee may take this type of leave to care for a spouse, son, daughter, parent or next of kin who is a covered service member who is recovering from a serious illness or injury incurred or aggravated in the line of duty on active duty in the Armed Forces. A covered service member includes:
  - a. A member of the armed forces (including National Guard or Reserves) who is undergoing medical treatment, recuperation, or therapy; is in outpatient status; or is on the temporary disability retired list for a Serious Injury or Illness suffered in the line of duty; or
  - b. A veteran who is undergoing medical treatment, recuperation, or therapy for a Serious Injury or Illness suffered in the line of duty and who was a member of the armed forces (including National Guard or Reserves) at any time during the five (5) years preceding the date of treatment, recuperation, or therapy.

## Qualifying Exigencies

- a. *Short-notice deployment.* The eligible employee can take leave to address any issue that arises from the fact that a covered military member is notified of an impending call or order to active duty seven or fewer calendar days prior to the date of deployment.
- b. *Military events and related activities.* The eligible employee can take leave to attend any official ceremony, program, or event sponsored by the military that is related to the active duty or call to active duty of the covered military member and to attend family support or assistance programs and information briefings.



- c. *Childcare and school activities.* Leave can be taken to arrange for alternative childcare when the active duty or call to active duty necessitates a change in the existing childcare arrangement for a child of the military member; to provide childcare on an urgent, immediate need basis (as opposed to a regular or everyday basis); to enroll or transfer a child to a new school or day care facility; and to attend school and daycare meetings.
- d. *Financial and legal arrangements.* Leave can be taken to make or update financial or legal arrangements to address the covered military member's absence while on active duty. Such leave includes preparing and executing financial and healthcare powers of attorney, transferring bank account signature authority, and preparing or updating wills or living trusts. In addition, this leave covers time off to act as the military member's representative to obtain, arrange, or appeal military service benefits.
- e. *Counseling.* The eligible employee can take leave to attend counseling sessions for the military member or his child if the need for counseling arises from the member's active duty or call to active-duty status.
- f. *Rest and recuperation.* Up to fifteen (15) days of leave can be taken to spend time with a covered military member who is on short-term temporary rest and recuperation leave during deployment.
- g. *Post-deployment activities.* The eligible employee can take time off to attend arrival ceremonies, reintegration briefings and events, and other official ceremonies sponsored by the military for up to 90 days following the termination of the covered military member's active status. In addition, leave can be taken to address issues arising from the death of the military member.
- h. *Additional activities.* If the employer and employee agree, the eligible employee also can take leave for any other events that arise out of the military member's active duty or call to active duty.

**Serious Health Condition:** A serious health condition is defined as one that requires either in-patient care or continuing treatment by a health care provider. Included are most conditions requiring surgery, other conditions that require extensive therapy or treatment, and pregnancy, childbirth, and recovery from childbirth.

The FMLA and its interpretive regulations define terms and establish rules for each of these types of leave. For example, an employee may only take Parenting Leave during the 12-month period that begins on the date of birth, adoption, or placement. In addition, for purposes of Family Medical Leave, a parent means the employee's biological parent or an individual who stood in the place of their parent when they were a child. The term parent does not include parents-in-law. Son or daughter, means the employee's biological, adopted, or foster child, their stepchild or legal ward, or a child for whom the employee stands in the place of the child's parent, who is either under age 18 or is over age 18 and incapable of self-care because of a mental or physical disability.

**Duration of Leave:** If eligible, an employee is entitled to a total of 12 workweeks of leave, based on their normal hours per week, during a 12-month period. A 12-month period, for purposes of FMLA leave, is a rolling 12-month period measured backward from the date the employee uses FMLA leave other than Military Caregiver Leave. For Military Caregiver Leave, eligible employees are entitled to up to 26 workweeks of leave in a single 12-month period. For purposes of Military Caregiver Leave only, the "single 12-month period" is the 12-month period measured forward from the first date of Military Caregiver Leave.

Any leave taken by an eligible employee for one or more of these reasons will be counted against that employee's FMLA leave entitlement. An employee may not combine forms of leave to exceed the

maximum entitlement under the law. In other words, an employee is only eligible for a total of 12 or 26 weeks of FMLA leave a year, as applicable, depending on the reason for the leave.

Spouses who both work for the Company will be limited to a combined total of 12 weeks of FMLA leave per Leave Year for the birth, adoption, or foster placement of a child, or to care for a parent with a Serious Health Condition. Spouses who both work for the Company will likewise be limited to a combined total of 26 weeks of FMLA leave during the single 12-month period to care for a covered service member.

**Substitution of Paid Leave:** Generally, FMLA leave is unpaid. If, however, an employee has accrued paid time off of other types from the Company, and if the leave request is approved, an employee will receive these benefits at the same time as they are receiving FMLA leave benefits.

**Intermittent or Reduced Schedule Leave:** Under certain circumstances, an employee may take intermittent or reduced schedule leave in increments of no less than one hour. Intermittent leave generally means leave taken on an occasional basis for such reasons as medical treatments. Reduced schedule leave means a temporary, but regular, change in the employee's usual number of work hours per day or hours per week. If an employee takes Parenting Leave, they are not entitled to take leave intermittently or on a reduced schedule. For Family Medical, Employee Medical, or Military Caregiver Leave, an employee may take intermittent or reduced schedule leave if it is medically necessary.

Employees must provide certification to the Company that a medical need for leave exists, and that the medical need can be best accommodated through an intermittent or reduced schedule leave. In this case, the employee must attempt to schedule their leave so as not to disrupt the Company's operations. In addition, if an employee requests intermittent or reduced schedule leave that is foreseeable based on planned medical treatment, the Company may require that the employee transfer temporarily to an available alternative position, with equivalent pay and benefits, for which they are qualified and which better accommodates intermittent or reduced schedule leaves.

**Request and Notification Requirements:** An employee must notify the Company of their desire to take FMLA leave at least thirty (30) days before the date FMLA leave is to begin, by requesting and completing a Request for Leave Form (except in cases of medical emergency or unexpected changed circumstances, in which case, the employee must give notice as soon as practicable after they are aware that they need to take FMLA leave.) Request for Leave Forms can be obtained from the Human Resources Department. At the time an employee obtains a Request for Leave Form, the employee will be provided with a Leave Notice explaining certain rights and responsibilities they will have regarding FMLA leave.

If an employee requests a Family Medical, Employee Medical, or Military Caregiver Leave, the employee must submit a medical certification from their, or their family member's, health care provider within 15 days after the employee has been furnished the Leave Notice and Request for Leave Form. In the case of a request for intermittent or reduced schedule leave, the certification must also notify the Company of the reason why the intermittent or reduced schedule leave is necessary and of the schedule for treatment, if applicable. Employees requesting Military Family Leave must also submit certification of the qualifying exigency within 15 days after the Company's written request.

If an employee fails to give 30 days' notice for a foreseeable leave with no reasonable excuse for the delay, the Company may deny FMLA leave until at least 30 days after the date the employee provided notice of the need for FMLA leave. After the employee submits a medical certification, the Company may require them to obtain a second opinion from a provider of the Company's choice and at its expense. In some cases, the Company may require a third opinion from a provider selected jointly by the employee and the

Company. During FMLA leave, the employee will be required to report periodically on their status and intent to return to work. When on a Family or Employee Medical Leave, the employee may also be required to submit medical recertifications periodically during the leave period subject to the same rules as the initial medical certification. Medical recertifications may also be required under certain specific circumstances, for example, (1) when the employee requests an extension for a leave, (2) when circumstances under an initial certification have significantly changed, (3) when there is information which casts doubt on the current medical certification, or (4) if the employee is unable to return to work after FMLA leave.

Upon the conclusion of an Employee Medical Leave, the employee must present certification to the Company from their health care provider that they are able to return to work. Unless and until the employee provides this fitness-for-duty certification, they will not be able to return to work.

**Continuation of Benefits:** As a general rule, FMLA leave is unpaid leave. The Company, however, will maintain the employee's coverage under the Company Health Care Plan on the same conditions during FMLA leave as if they had been employed continuously during the FMLA leave period. If there is a required premium, the employee may continue to pay their share of the premiums during the FMLA leave period to maintain coverage, or the employee may choose not to continue coverage. Alternatively, the employee may choose to pay their required premiums for the period of the FMLA leave once they return to work, over a period not to exceed 3 months.

If an employee does not continue health coverage during FMLA leave, the Company will restore regular coverage if they return to work. Coverage under other insurance plans that require an employee to be actively at work will be suspended during an employee's FMLA leave.

**Right to Job Restoration:** Upon return from FMLA leave, employees will generally be restored to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. Certain salaried, key employees (as defined by the FMLA) of the Company may be denied restoration if their reinstatement would cause substantial and grievous economic injury to the Company. If, during FMLA leave, a layoff or other event occurs that would have changed, or even eliminated, an employee's job had they not taken leave, the employee will have no greater rights than if they had been continuously employed during the FMLA leave. The Company will determine whether an employee will be restored to the same position or to an equivalent position.

If an employee chooses not to return to work after their FMLA leave expires, the Company may recover its share of health insurance premiums paid on the employee's behalf during the period of FMLA leave. The Company will seek to recover those premiums unless the employees fail to return because of:

- a. The continuation, recurrence, or onset of a serious health condition that would otherwise entitle the employee to FMLA leave; or
- b. Other circumstances beyond the employee's control.

**Fraudulent use of FMLA Leave:** Fraudulent use of FMLA leave will be grounds for employment termination.

## 5.7 Medical Leave of Absence

If an employee expects to be absent from work for more than three (3) consecutive scheduled workdays as a result of illness, injury, or other disability (including pregnancy) and is not covered by FMLA, the

employee must submit a written request for medical leave to Human Resources at least thirty (30) days before the anticipated commencement of the leave. In the case of an emergency or when thirty (30) days' notice cannot otherwise be provided, the employee or a member of the employee's immediate family must notify the employee's manager as soon as possible. The written leave request normally should follow this notification by no more than three (3) days.

In all situations, the employee's request for medical leave must be supported by a physician's certification of the medical need for leave. This certification must be furnished within fifteen (15) days of the employee's leave request. If circumstances require an extension of the leave for any reason, the employee must provide the Company with a physician's statement attesting to the employee's continued medical condition and inability to work. As well, an employee returning from medical leave must submit a doctor's statement indicating that the employee has been released to return to work.

The maximum duration of a medical leave of absence is twelve (12) weeks. Any employee who has exhausted their leave allotment under FMLA is not permitted to extend their leave of absence through the use of this benefit.

If an employee is unable to return to work after twelve (12) weeks, their employment will be terminated, unless otherwise required by applicable law. Further, unless otherwise required by applicable law, the Company cannot guarantee reinstatement of the employee upon completion of an approved leave of absence. Nonetheless, the Company will make every effort to return the employee to a comparable job, subject to budgetary restrictions, the Company's need to fill vacancies, and the Company's ability to find qualified temporary replacements.

As a general matter, medical leaves of absence under this policy are unpaid. However, an employee on medical leave may be eligible for paid sick days, personal days, short-term disability benefits, and/or long-term disability benefits under the Company's policies and may elect to apply those paid time off days toward their medical leave of absence.

## 5.8 Medical Leave with Dual Employment

To assure integrity and promote a more rapid recovery and return to work, no employee who is on an approved medical leave of absence from the Company, whether FMLA-covered or not, shall be permitted to provide services or labor to another employer or through self-employment while on such leave without the express written permission of the Company. This prohibition also extends to intermittent and reduced work schedule leaves. A violation of this policy will subject the employee to termination. Please contact Human Resources with any questions or concerns regarding the application of this policy to any specific leave situation, or if made aware of any leave abuse by a coworker.

## 5.9 Personal Leave of Absence

Employees may request a personal unpaid leave of absence to attend to other personal matters or for family medical caregiving matters not covered by FMLA. A personal leave of absence is one that is generally expected to last more than one pay period.

### **Eligibility**

Regular full-time and part-time employees are eligible to request a personal leave.

## **Request Procedure**

An employee requesting a personal leave must provide a written request including the reason for the leave and expected duration. Generally, the leave may not exceed sixty (60) days. Management, in conjunction with Human Resources, will determine whether to grant leave based on factors such as urgency, need, employee performance and business needs.

## **Return from Leave**

While the Company will make every effort to place the employee upon their return, there is no guarantee that the employee's position or a comparable position will be available.

## **5.10 Parental and Family Leave**

Employees may request Parental and Family Leave to care for a newborn, adopted or fostered children, or to care for a family member with a serious illness.

### **Eligibility**

Regular, full-time hourly and salaried employees are eligible to request a Parental and Family Leave beginning with the first of the month after hire date. (Union employees should refer to their collective bargaining agreement.)

### **Leave Description**

Parental and Family Leave under this policy is paid leave associated with the birth of an employee's own child, the placement of a child with the employee in connection with adoption or foster care, or to care for a family member with a serious illness. The benefits under this policy are as follows:

#### **Birth Parent Leave**

Up to a total of 12 weeks of Company-paid time off for the birth parent. This includes 8 weeks for short-term disability leave for recovery and 4 weeks bonding leave as defined below.

- Employees are paid 100% of base pay.
- The Birth Parent Leave (including short-term disability leave) must be used immediately following birth. A doctor's release is required prior to returning to work.
- The bonding leave must be used within 12 months after birth.

#### **Bonding Leave**

Up to 4 weeks of company-paid time off for non-birth, adoptive, or foster parent.

- Employees are paid 100% of base pay.
- Must be used within the first 12 months after birth, adoption, or foster care placement.
- Any intermittent bonding leave must be taken in minimum of 2-week increments and must be fully used within 12 months of the birth, adoption, or foster care placement.
- Additional unpaid (or paid with available PTO) bonding leave under FMLA may be taken.
- Bonding leave for foster parents:
  - Is the shorter of 4 weeks or the time the foster child resides with the foster parent
  - Has a lifetime maximum of 12 weeks of paid time off

## Family Leave

Up to 4 weeks of company-paid time off to care for a family member with a serious illness.

- Employees are paid 100% of base pay.
- Serious illness of a family member is limited to those conditions of a family member that would qualify as a serious illness under FMLA's Family Member's Serious Health Condition.
- Family members are defined as those listed under FMLA's Family Member's Serious Health Condition (parent, spouse, child) unless state law provides otherwise. If an employee believes they have a qualifying circumstance, they should contact their HR Business Partner.
- Intermittent family leave must be taken in no less than 1-hour increments.

## Requirement for Leave

The employee must provide to their manager in writing a thirty (30) days' notice of the requested leave (or as much notice as practicable if the leave is not foreseeable) using the Parental and Family Leave Request Form. The form, as well as Frequently Asked Questions, are available on the Total Rewards & Benefits Portal (<https://myheritagegroup.com/>). Complete the form in its entirety, including required documentation and approval from the HR Business Partner (in consultation with the employee's manager), and submit the form to Employee Hub ([EmployeeHub@thgrp.com](mailto:EmployeeHub@thgrp.com)).

- Documentation is required when requesting any leave listed above.
- If employment terminates prior to using the full leave benefit, the unused portion is forfeited.
- Birth Parent, Bonding, or Family Leave is available once in a rolling 52-week period.
- A birth parent who has taken 12 weeks of paid leave is not eligible for additional Bonding or Family Leave in the same 52-week rolling period.
- A total of 4 weeks in any rolling 52-week period can be taken for either Bonding or Family Leave or some combination of the two leave types.
- For any portion of these leaves that qualifies for unpaid time off under the Family and Medical Leave Act, such FMLA leave runs concurrently with any leave described in this policy.
- *State-Funded Disability Benefits & Paid Family Medical Leave*: Some states provide extended paid leave benefits for related reasons. This benefit is administered and paid by the state. Employees in states with such benefits should follow the state's guidance for qualification and claim administration. This benefit will be paid concurrently with the Company paid leave. At no time can the employee earn more than 100% of their normal wages. If applicable, see the State's government website for details.
- Use of the benefits described in this policy other than for its intended purpose, if substantiated, will result in the revocation of benefits and corrective action, up to and including termination.

## Definitions

The following definitions apply to terms used in this policy.

- *Birth Parent*: The individual giving birth to a child, regardless of whether the child stays with the Birth Parent or is offered for adoption.
- *Non-Birth Parent*: The biological or adoptive parent other than the Birth Parent who is living in the same household as the child or otherwise has day-to-day responsibilities for caring for and financially supporting their child during the time of the leave.

- *Family Medical Leave Act (FMLA)*: FMLA provides certain employees with up to 12 weeks of unpaid, job protected leave per year for reasons related to the birth and care of a child; placement of a child for adoption or foster care; to care for a family member with a serious health condition; or for one's own serious health condition. FMLA runs concurrently with any leave described in this policy.

## 5.11 Bereavement Leave

The Company provides paid time off to an employee who must attend and/or manage the arrangements associated with the death of a family member.

### 1. Eligibility

All employees are eligible for bereavement leave. Union employees should refer to their collective bargaining agreement.

### 2. Relationships Covered

- a. Immediate Family members include Spouse, Domestic Partner, Child (natural, adopted, stepchild, and including miscarriage or stillbirth), Parent, Step-parent, Sibling, Step-sibling.
- b. Extended Family members include Grandparent, Great-Grandparent, Grandchild, Grandparent-In-law, Parent-in-law, Daughter-in-law, Son-in-law, Brother-in-law, Sister-in-law.

### 3. Paid Time Off

Bereavement Leave for Immediate Family members is up to five (5) days and for Extended Family members is up to three (3) days. Bereavement pay for each day is equal to base pay for the number of hours normally scheduled to work in a day and does not include other compensation such as incentives, shift premiums, bonuses, or overtime. For part-time employees working variable amounts of hours in a normal day, Bereavement Leave is four (4) hours of base pay per day.

An employee desiring time off in excess of the Bereavement Leave benefit may request manager approval to use available paid time off or unpaid time off if paid time off is insufficient to cover the requested time.

If an employee is eligible for bereavement leave under state law and Bereavement Leave under this policy, the leaves will run concurrently. Employees on a leave of absence are not eligible for Bereavement Leave and cannot extend a leave of absence by adding bereavement days to the end of the leave of absence.

### 4. Process

Employees should notify their manager as soon as possible for time off needs on scheduled workdays. The Company reserves the right to request proof of death and/or evidence of the employee's attendance at the funeral service.

## 5.12 California and Illinois Reproductive Loss Leave

Regular, full-time hourly and salaried employees who are residents of California and Illinois may request Reproductive Loss Leave for a failed adoption, failed surrogacy, miscarriage, stillbirth, diagnosis negatively

impacting pregnancy or fertility, or an unsuccessful assisted reproduction. Union employees should refer to their collective bargaining agreement.

### **Leave Description**

Employees may request up to 5 days (CA) or 10 days (IL) of unpaid leave following a reproductive loss event, which means the day, or for a multiple day event, the final day of a failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted reproduction. If an eligible employee experiences more than one reproductive loss event in a 12 month-period, the Reproductive Loss Leave is limited to 20 days (CA) or 30 days (IL) within a 12-month period.

Leave under this policy need not be taken in consecutive days, but the leave must be completed within three (3) months of the reproductive loss event.

Employees should inform their supervisor and Human Resources. For miscarriages and stillbirth reproductive loss events, the employee may be covered by the Company's Bereavement Leave policy. Leave under both policies will run concurrently. Employees may use other accrued and unused paid time off to be compensated for this leave.

As with all time away from work, the Company is committed to maintaining the confidentiality of any employee who requests this leave, except as permitted and/or as required by applicable laws.

The Company will not retaliate against an employee for the employee's exercise of the right to Reproductive Loss Leave.

To the extent Family and Medical Leave applies to reasons for the leave taken under this policy, it will run concurrent with this Reproductive Loss Leave.

Please direct questions to the Employee Hub at 800-303-0408 or Employee Hub@thgrp.com.

## **5.13 Military and State Military Family Leave**

The Company grants leaves of absence to all employees who are called to, or volunteer for service in one of the uniformed services defined by the Uniformed Services Employment and Reemployment Rights Act (USERRA). The Company also recognizes and complies with any variations provided through separately enacted state law.

### **1. Type of Uniformed Services**

USERRA's definition of "service in the uniformed services" covers all categories of military training and service, including duty performed on a voluntary or involuntary basis, in time of peace and war. Although most often understood as applying to the Guard and Reserve military personnel, USERRA also applies to serving in the active components of the Armed Forces and the National Disaster Medical System.

### **2. Pay While on Leave**

Although not required by law, the Company will provide an employee on leave with a pay allowance equal to the difference between the employee's base pay and their military pay for up to one year, including time spent in reservist training.



### 3. Return to Work

The employee is entitled to reemployment so long as they meet the requirements defined by USERRA. In most cases, employees are expected to be returned to their previous or comparable positions.

### 4. State Military Family Leave (SMFL)

a. Eligible employees are entitled to an unpaid leave of absence to spend time with certain family members who are engaged in or called to active military service.

b. *Eligibility:* An eligible employee for SMFL is an employee who resides in Indiana, Illinois, Ohio, and California and has been employed by the Company for at least 12 months, who has worked at least 1,250 hours during the 12-month period immediately preceding the leave, and who is the spouse, child, parent, grandparent, sibling, or court appointed guardian or custodian of a person who is ordered to active duty. Any available Family and Medical Leave Act (FMLA) leave will run concurrently with this SMFL.

The term “active duty” means full-time service on active-duty orders in the armed forces of the United States or the National Guard for a period that exceeds thirty (30) consecutive calendar days.

c. *Amount of SMFL:* An eligible employee may take SMFL of up to ten (10) cumulative working days (maximum 80 hours)\* per calendar year during one or more of the following periods:

- Within the 30-day period before a spouse, son, daughter, grandson, granddaughter or sibling (“military family member”) begins active-duty
- During a period when the military family member is on leave
- During the 30-day period after a military family member’s active-duty orders are terminated

d. *Compensation for SMFL:* SMFL is unpaid. However, an eligible employee must use any accrued paid leave (except for paid medical or sick leave) in lieu of taking unpaid leave under the SMFL. SMFL and any applicable FMLA leave will run concurrently with such paid leave.

e. *Job and Benefits Security:* An eligible employee who takes leave under the SMFL and who returns to work before their SMFL leave entitlement has expired will be restored to the position the employee held when the leave commenced or to an otherwise equivalent position with respect to seniority, pay, benefits, and other terms and conditions of employment.

f. *Employee Notice and Leave Request Requirements:* An eligible employee must give the Company at least 14 days’ written notice of their intent to take leave under the SMFL unless the military family member’s active-duty orders are issued less than 14 days prior to the requested leave. An eligible employee must also provide a copy of the active-duty orders, if available, along with the leave request.

The Company reserves the right to require verification of the employee’s eligibility for SMFL leave. If an employee fails to provide such verification, then their absence will be considered unexcused.

*g. Continuation of Group Health Plan Coverage:* The Company will maintain group health plan coverage for an employee who takes SMFL under the same terms and conditions as active employment.

*h. Non-Discrimination/Non-Retaliation Policy Statement:* The Company will not interfere with, restrain, or deny an employee's exercise of right under the SMFL.

*\*Employees residing in Illinois are allowed up to 30 working days of unpaid SMFL.*

## 5.14 Jury Duty and Court Appearances

The Company will provide an employee time off from work to fulfill a requirement for jury duty and for certain witness duty.

### 1. Eligibility

All employees are eligible for time off under this policy. Union employees should contact Human Resources or reference their collective bargaining agreement.

### 2. Paid Time Off

If approved for time off under this policy, the Company will pay up to a maximum of five (5) days. Paid time off is based on the employee's regularly scheduled work shift, full-time or part-time (e.g., if the normal part-time work shift is 4 hours, the jury duty benefit will be 4 hours).

Jury Duty and Court Appearance pay is calculated based on the base pay rate at the time of absence, and does not include any special compensation, such as incentives, bonuses, or overtime. It is the practice of the Company that any stipend received by the employee for performing their duty can be retained by the employee and will not offset their Company pay.

If the employee is dismissed from jury duty, they should report to work the following day.

Employees appearing as a plaintiff, defendant, or other non-subpoenaed court appearances must use any available time off for these instances.

### 3. Procedure

Upon receipt of a notice to report for jury duty or a witness subpoena, an employee must notify their supervisor as soon as possible so that any necessary arrangements to manage work in the employee's absence may be discussed. Documentation is required to be considered for approval. Direct questions about this policy to Human Resources.

## 5.15 Layoff and Recall

Under some circumstances, the Company may need to restructure its operations or reduce its workforce. If this becomes necessary, the Company will attempt to provide advance notice to employees so as to minimize the impact on those affected. If possible, employees subject to layoff will be informed of the nature of the layoff and the foreseeable duration of the layoff, whether short-term or indefinite.

In determining which employees will be subject to layoff, the Company will consider, among other factors:

- operational requirements;
- the skill, productivity, past performance, and attendance of those involved; and

- length of service, whenever feasible.

When workload increases to the extent that additional employees are needed, the Company will attempt to recall (*i.e.*, rehire) individuals according to these same selection criteria. The Company reserves the right to hire new employees during a layoff period when required skills for the work at hand are not available without training among the laid-off employees.

Unless classified as Seasonal, all Company benefits will terminate at the time of layoff. Insurance coverage, though not provided, will remain available under the provisions of COBRA. Information concerning employee rights under COBRA is available from the Human Resources Department.

## 5.16 Inactive status

Any employee who, for whatever reasons, is unable or refuses to perform any active service for the Company for 16 consecutive weeks or who misses more than 16 non-consecutive weeks of active service during any 12-month period shall be removed from the payroll and terminated, unless the employee requests and is granted a further defined period of extended leave as a reasonable accommodation under the Americans with Disabilities Act (ADA) or additional leave is required to care for an injured servicemember under the federal Family and Medical Leave Act (FMLA).

## Chapter 6: Compensation Policies

### 6.1 Hours of Work

The Company's normal work week begins at 12:01am Sunday morning and ends Saturday at Midnight. Some locations may vary based on local requirements.

**Normal 8-Hour Schedule for Non-Exempt (Hourly) Employees:** The normal workday typically consists of 8 ½ consecutive hours including a 30-minute unpaid meal period and two paid 15-minute breaks. Employees are required to punch out and back in again for meal periods. To ensure adequate staffing in any work unit, managers may designate the timing of meals and breaks. The scheduling of work hours is controlled by managers.

#### *Exceptions to the Normal Schedule*

- Business necessity – A situation may occur where business requirements dictate temporary exceptions to the normal work schedule. For example, it may be necessary to schedule an employee or group of employees to work outside the normal schedule to complete deadline-driven projects or other business demands.
- Employee request – Employees may occasionally have a personal situation that requires an exception to the normal schedule. In these situations, a manager may authorize the employee to adjust their schedule to make-up the time during the same work week. If make-up time is not feasible or otherwise allowed the employee may use other available paid time off for that period of time or receive no payment for that period.

#### *Travel Pay for Hourly Employees*

- Home-to-Work travel is considered commuting time and is not compensable. If the employee must stop on the way to work to pick up supplies, documents, etc. for company business then the company would pay the employee from the time the items were picked up.
- Travel time spent by employees as part of their principal activity, such as travel among job sites during the workday, is considered “work time” and is compensable. Time spent traveling from home to the job site and time spent from the last stop to home is unpaid commuting time.
- Generally, time spent traveling to and returning from a work assignment in a city other than the employee's normal work location is paid time.

#### *Meal and Rest Periods for Hourly Employees*

All non-exempt employees working four (4) hours or more will be provided a paid rest period of 15 minutes in length, for a total of two breaks in a given workday. To the extent possible, rest periods will be scheduled in the middle of each four-hour work period. In addition, all non-exempt employees working six (6) hours or more will be provided with an unpaid 30-minute meal period. To the extent possible, such meal periods will be scheduled in the middle of the employee's scheduled shift. However, business necessity may dictate that such rest and meal periods be scheduled at other times to accommodate the Company's operating requirements. Employees are completely relieved of all working duties and responsibilities during their meal periods and may leave the premises. Employees are expected to clock in and out during their meal periods. Employees are expected to promptly return to their workstations following the allotted time for their rest periods and meal periods. Any employee who fails to timely return to their workstation will be subject to corrective action.

If an employee is conducting business, is “on-call,” or the expectation or requirement exists that an employee attend and is not free to pursue their own interests, the employee is not expected to clock in and out during the meal period and the time is paid.

**Training Sessions for Hourly Employees:** Hourly employees will be paid for training sessions, lectures, and other learning opportunities except for sessions meeting all the following criteria:

- The session is outside of normal work hours,
- It is considered voluntary and attendance is not required,
- It is not job-related, and
- No work is performed during the session.

## 6.2 Timekeeping Requirements

The Fair Labor Standards Act (FLSA) requires accurate records of hours worked. All non-exempt employees must accurately record time worked on a timecard for payroll purposes. Employees are required to record their own time at the beginning and end of each work period, including before and after the lunch break. Employees also must record their time whenever they leave the building for any reason other than Company business. Filling out another employee’s timecard, allowing another employee to fill out an employee’s own timecard, or altering any timecard will be grounds for corrective action, up to and including termination.

Any errors on an employee’s timecard should be reported immediately to their manager, who will attempt to promptly correct legitimate errors.

Salaried (exempt) employees may not be required to track working hours, unless otherwise requested. However, salaried employees are required to accurately track their time off. Abuse of this requirement or inaccurate reporting will be a violation of this policy.

Any errors on an employee’s timecard should be reported immediately to their manager, who will attempt to promptly correct legitimate errors.

Salaried employees work as few or as many hours as are necessary to get the job done. For this reason, and subject to the exceptions below, the Company’s policy does not reduce an exempt employee’s predetermined compensation for any partial-day absence (other than intermittent Family & Medical Leave Act ("FMLA") leave); any partial-week absence occasioned by the Company or its operating requirements, including holidays and partial-week shutdowns; or because of variations in the quality of work performed.

For all employees (exempt and non-exempt), reductions in pay may occur in the following circumstances:

1. Full-day absences for personal reasons, other than sickness or disability in accordance with the Company's policies;
2. Full-day absences due to the employee's own sickness or injury (including work-related injuries and FMLA-related absences). Such deductions will be made in accordance with the Company's paid time off plans and state worker's compensation laws and regulations;
3. A penalty imposed for infraction of a safety rule of major significance;
4. Full-day absences for unpaid suspensions due to corrective action measures; and

5. When no work is performed in a workweek.

The Company may require an employee to utilize paid time off benefits for partial-day absences occasioned by personal reasons or the employee's own illness or injury.

Exempt employees who believe their salary has been improperly reduced should report the concern immediately to Human Resources. The Company is committed to complying and expects all managers to comply with this policy and not make improper deductions from employees' salaries. The Company will reimburse an employee for any improper deduction.

**Pay Frequency:** Hourly (non-exempt) and Salaried (exempt) employees are paid on a biweekly basis. If the normal payday falls on a holiday, pay will be distributed on the workday prior to the regular payday. Pay advances are not available. Union employees should refer to their collective bargaining agreement to confirm pay frequency.

**Direct Deposit:** Unless local law requires otherwise, as a condition of hire, all new employees are required to receive their pay through direct deposit to their bank accounts. If an employee does not maintain a bank account, pay may be deposited directly to a debit card, known as a "pay card." Employees are allowed to have up to three direct deposit accounts.

**Tax Withholding:** Employees are responsible for maintaining accurate federal, state, and local tax status information. Any tax deduction errors resulting from an employee's failure to provide accurate tax information will be the employee's responsibility to correct with the affected tax entities. If an error in pay occurs due to no fault of the employee, the error will be remedied promptly. The Company reserves the right to deduct any payroll overpayments from future payroll payments to the extent permitted by applicable law.

**Time Reporting:** Time for hourly employees is tracked based on actual time clock punches.

Employees must maintain an accurate record of all time worked through the approved timekeeping method. Managers must make any changes or corrections in the electronic timekeeping system. An employee may not punch in or out for any other employee. Any employee or manager who violates this policy in any respect will be subject to corrective action, up to and including termination of employment.

### 6.3 Timekeeping Abuse

We have adopted a "zero-tolerance" policy of permitting or requiring any hourly employees to work off the clock. It is against this policy for any manager to expressly or implicitly permit non-exempt employees to perform any services for the Company without being paid for them. This policy requires non-exempt employees to perform no work before clocking in, after clocking out, or during any unpaid break times, including meal periods.

#### **Off Duty Texting and Emailing for Business Purposes**

Non-exempt employees are prohibited from reviewing or responding to work-related electronic communications outside of work hours without prior authorization from management. This prohibition includes, but is not limited to, checking, reviewing, sending, or responding to e-mails, text messages, or other electronic communications. To facilitate compliance with this rule, managers should refrain from sending work-related communications to non-exempt employees outside of regular work hours that can wait until the next day. In the event that management does require assistance from a non-exempt

employee outside of regular work hours, management will either give the employee advance notice and authorization or call the employee. Any time spent by non-exempt employees during and outside of their regular work hours must be recorded on their time record.

No manager is permitted to bypass or interfere with this requirement. Employees are required to promptly notify Human Resources if any manager ever requires or permits an hourly employee to work off the clock. Non-exempt employees are expressly assured within this policy that they will not be discriminated or retaliated against for making a good-faith complaint under this policy.

Any employee or manager who violates this policy in any respect will be subject to corrective action, up to and including termination.

## 6.4 Overtime

All non-exempt (hourly) employees are eligible for overtime pay. Union employees should refer to their collective bargaining agreement.

**Overtime:** All hours worked in excess of 40 hours per week will be paid at time and a half. Employees covered by a collective bargaining agreement should refer to that agreement for how overtime pay is calculated. Company paid holidays are considered time worked, but paid absences for short-term disability, personal days, vacation, jury duty, parental and family leave, and bereavement leave are not considered time worked for purposes of overtime compensation. Required employee attendance at lectures, meetings, and training programs will be considered hours worked for purposes of overtime compensation. The Company may change its overtime practices as required by law.

**Double time:** Double time is paid for time worked on the seventh consecutive day.

**Scheduling:** Overtime or extra shifts may be scheduled when deemed necessary. Overtime will be assigned by managers at their discretion. Factors which may be considered by managers when determining which employees are assigned overtime may include employee qualifications for a particular job, whether employees have expressed interest in working overtime, previous amount of overtime worked by particular employees, and the potential for worker fatigue.

Employees are not permitted to work overtime without advance manager approval.

## 6.5 Pay Transparency Non-Discrimination

This policy statement fully complies with Executive Order 13665, “Non-Retaliation for Disclosure of Compensation Information. Contractor here refers to the Company.

The contractor will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor’s legal duty to furnish information.

## 6.6 Compensation Reviews

Compensation will be reviewed on a regular basis by each employee's manager. Such reviews are generally conducted on at least an annual basis at the end of the year.

The amount and frequency of any compensation increase an employee may receive will be based upon job performance and attendance, the profitability of the Company, the amount of an employee's present salary or wage in relation to the minimum and maximum of the compensation range assigned to their job, and the length of time since an employee's last increase.

## 6.7 Business Expenses and Travel

The Company will reimburse employees for reasonable business travel, lodging, and other business-related expenses incurred while on assignments away from the normal work location. All business travel must be approved in advance by the employee's manager. Employees are expected to limit expenses to reasonable amounts.

With prior approval, employees on business travel may be accompanied by a family member or other companion when their presence will not interfere with successful completion of business objectives. Generally, employees are also permitted to combine personal travel with business travel, as long as time away from work is approved. Additional expenses arising from such non-business travel and entertainment are the responsibility of the employee and will not be reimbursed. When travel is completed, employees should submit completed travel expense reports within thirty (30) days. Reports should be accompanied by receipts for all expenses of \$50 or more. Employees should contact their manager for guidance and assistance on procedures related to travel arrangements, travel advances, expense reports, reimbursement for specific expenses, or any other business travel issues. Abuse of this business travel expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, will be grounds for corrective action, up to and including termination.



## Chapter 7: Employee Lifecycle

### 7.1 Background Checks

The Company conducts background checks for all positions. The purpose of these background checks is to confirm and supplement personal information about qualifications, experience, and character, and assist the Company in determining suitability for employment or continuing employment, driving privileges, and work assignments. These checks may be performed at any time during the employment relationship, as well as prior to employment.

It is Company policy to check references, criminal history, job histories, and educational qualifications. The Company will also confirm certification and licensing requirements on a periodic basis. In addition, the Company reserves the right to conduct ongoing criminal background checks. Employment or continued employment is contingent upon acceptable results of these routine background investigations. However, a criminal history will not automatically preclude an individual from consideration for employment, continuing employment, or a new position unless necessitated by business justifications or the law.

A valid driver's license and acceptable driving record is required for all employees who will drive on Company business. Motor vehicle records will be obtained on employees prior to employment and no less frequently than every 12 months thereafter. Employees who drive as part of their job duties must promptly report loss or suspension of their driver's license privileges to their manager. Absence of a valid driver's license or an unacceptable driving record may result in denial or termination of employment in appropriate circumstances.

Employees are also required to promptly report any arrests or convictions to the Human Resources representative as they occur during the employment relationship. Each such event will be evaluated by the Company on an individual basis relative to any monitoring or change of employment status. However, not promptly reporting such occurrences will result in corrective action, up to and including termination. Applicants and employees will be required to complete the necessary documentation to authorize background checks. Refusal to execute this documentation may result in denial or termination of employment. Further, any false or misleading information provided to the Company, or any material omissions made by an employee in connection with obtaining or retaining employment will be grounds for immediate termination, regardless of when such a discovery is made.

### 7.2 Job Posting and Internal Applicants

The purpose of this policy is to ensure that employees have the opportunity to apply for open positions for which they are qualified. The Company believes in promoting from within when possible and is committed to employing the best candidates for approved positions and engaging in effective recruitment and selection practices in compliance with all applicable employment laws. We provide equal employment opportunity to all applicants and employees.

This policy applies to all positions for The Heritage Group Family of Companies other than executive, senior management positions, and positions lasting 3 days or less, and complies with the Vietnam Era Veterans' Readjustment Act (VEVRAA). The Company will provide certain required information to the electronic job boards on which Company positions are posted, including our desire for priority referrals of protected veterans.

## Procedure

### 1. Job Postings

Once an open position is approved for recruitment, it will be posted on internal and various electronic job boards. Appropriate external recruitment sources will vary depending on the vacancy. Any open position will be posted for at least 3 days.

### 2. Eligibility

Employees must meet the following criteria to be eligible to be considered as an applicant for an open position.

- a. *Company Tenure*: Employees should have at least one (1) year of service in their current role. This requirement helps ensure the employee has had enough time to understand their current role and business before moving to a new role. This requirement may be waived for roles within the same business or based upon extenuating circumstances, subject to HR and leadership approval.
- b. *Performance*: Employees must not have documented corrective action concerns within the last six (6) months or been on an active Performance Improvement Plan within the last twelve (12) months.

### 3. Application Process

Employees must apply for open positions and complete the screening process with other candidates (internal and external as applicable).

### 4. Internal Communication

Employees should expect to send and receive internal communication regarding their interests and application.

- a. *Intent to Apply*: It is highly preferred that the employee inform their current manager about their intent to apply for a new role. If the employee is uncomfortable speaking to their current manager, they should inform their HR Business Partner.
- b. *Application Details*: Details about the role applied for, including the hiring manager and office location for the new position, may be shared with the HR Business Partners supporting the employee's current role and the role applied for. In the initial recruiter screen, the recruiter will:
  - Confirm if the employee notified their current manager of their application. If the employee has not notified their manager, the recruiter will communicate with HR Business Partners if the employee is a competitive candidate. The HR Business Partner will support the employee in communicating with their manager, as applicable, as they progress in the selection process.
  - Confirm if the employee's compensation expectations are within the salary range for the role, consistent to recruiter practice with external applicants.

- c. *Recommendations*: The current manager may be asked to provide a recommendation or feedback about the employee, including information on the employee's performance, qualifications, and demonstrated skills in their current role. In cases where the employee has intentionally not notified their manager, HR Business Partners may support or propose an alternative recommendation solution.

**5. Application Outcomes:**

- a. If an internal applicant is not invited to move forward at any stage in the process or is not ultimately extended an offer, the recruiter and hiring manager will share constructive feedback with the employee and provide guidance on developmental next steps, if applicable.
- b. The offer process for internal applications will follow the same process and approvals as the offer process for external applications. This includes consideration of relocation assistance or other benefits extended to new hires.
- c. If an internal applicant is extended and accepts an offer, there will be a waiting period of at least thirty (30) days or as mutually agreed on between the employee and the business(es). Management and HR approval is required for transitions requiring more than ninety (90) days. This requirement ensures a smooth transition and continuity of operations.

### 7.3 Employment-At-Will

Employees are employed at the will of the Company and are subject to termination at any time, for any or no reason, with or without cause or notice. Similarly, an employee may terminate their employment with the Company at any time and for any or no reason.

This policy supersedes any statements contained in any other employee communication materials, employment applications, company recruiting materials, company memoranda, or other materials provided to applicants and employees in connection with their employment. None of these documents, whether singly or combined, are to create an express or implied agreement concerning any terms or conditions of employment. Similarly, Company policies and practices with respect to any matter are not to be considered as creating any contractual obligation on the Company's part or as stating in any way that termination will occur only for "just cause." Statements of specific grounds for termination set forth in any employee materials or other Company documents are examples only, not all-inclusive lists, and are not intended to restrict the Company's right to terminate at-will.

### 7.4 Orientation Period

New employees will go through an orientation period in order to learn about the Company and about their job. During this time, employees will have an opportunity to find out if they are suited to and enjoy their new position. Additionally, this orientation period gives each manager a reasonable period of time to evaluate a new employee's performance.

The orientation period is ninety (90) days unless otherwise specified in the offer letter.

- During this time, managers will provide new employees with training and guidance. An employee may be terminated at any time during the orientation period if a manager concludes that the employee is not progressing or performing satisfactorily. Under appropriate circumstances, the orientation period may be extended.

- Additionally, as is true at all times during an employee's employment with the Company, employment is not for any specific time and may be terminated at will, with or without cause and without prior notice.
- If, at the end of the initial employment period, a manager has determined that an employee's job performance is "satisfactory", the employee will continue their employment as an at-will employee.

## 7.5 Job Duties and Responsibilities

During the orientation period, managers will explain the job responsibilities and performance standards expected of each employee. Employees will also generally receive a job description for their position setting forth the essential functions of the position. However, please be aware that a position's job responsibilities may change at any time, and an employee may be asked from time to time to work on special projects or to assist with other work necessary or important to the operation of their department or the Company. Each employee's cooperation and assistance in performing such additional work is expected. The Company reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign, or transfer job positions, or assign additional job responsibilities.

## 7.6 Performance Reviews

All employees will receive periodic performance reviews. Performance reviews will be conducted by each manager who will discuss it with their employees. Performance evaluations are conducted semi-annually for salaried employees, mid-year and end of year on a calendar year basis, and annually for hourly employees with the expectation of monthly check-ins with their manager. The frequency of performance evaluations may vary, depending upon length of service, job position, past performance, changes in job duties, or recurring performance problems.

An employee's performance evaluation will include factors such as the quality and quantity of work, attendance record, knowledge of the job, initiative, work attitude, and attitude toward others. The performance evaluation should help an employee become aware of their progress, areas of needed improvement, and objectives or goals for future work performance. Positive performance evaluations do not guarantee increases in compensation or promotions. After the review, employees will be asked to sign the evaluation report simply to acknowledge that it has been presented to them and discussed between the employee and their manager, and that the employee is aware of its contents. Employees are encouraged to note areas of disagreement in their review and discuss them with their manager.

## 7.7 Termination of Employment

We hope employees will be with us for a long time, but if an employee chooses to terminate their employment, it is anticipated that they will give their manager as much notice as possible – preferably a minimum of two weeks. When giving their two weeks' notice, paid time off days cannot be used in lieu of notice. If an employee does not give two weeks' notice of their intent to leave the Company, they may not be eligible for re-employment at a later date.

If an employee's decision to terminate is based on a situation that could be corrected, they are encouraged to discuss it with their manager or the Human Resources representative before making a final decision.

At the time of termination, Human Resources will meet with the employee to conduct an exit interview. At that time, the details of termination will be discussed, arrangements for the employee's final paycheck will be made, and information regarding their insurance coverage and other post-termination benefits will be explained to the employee.

Employees must return all Company property -- including identification cards, keys, manuals, and all confidential information -- to their manager or a Human Resources representative on or before their last day of work.

## 7.8 Personnel Records

The Company maintains a personnel file on each employee. This file includes information such as the employee's job application, resume, offer of employment, records of training, documentation of performance appraisals and salary increases, and other employment records. It is the responsibility of each employee to promptly notify Human Resources of any changes in personal data. Personal mailing addresses, telephone numbers, number and names of dependents, marital status, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports must be accurate and current at all times.

Personnel files are the property of the Company and access to the information they contain is restricted. Generally, only managers and management personnel who have a legitimate reason to review information in a file are allowed to do so. However, with reasonable advance notice, the Company may permit current employees to review their own personnel files in the presence of the Company's Human Resource Representative or a designate.

At no time will the employee be permitted to copy, alter, or destroy any documentation contained in their personnel file. However, employees may ask that a note be placed in their file regarding any problems or concerns they may have with the contents of their personnel files at the time of the review.

## 7.9 Reference Requests

All requests for an employment reference must be directed to the Employee Hub. No manager or other employee is permitted to provide a reference for current or former employees without prior authorization from Human Resources. The Company's general policy regarding references for employees who have left the Company is to disclose only the dates of employment and the title of the last position held. No further information will be disclosed to third parties without an executed release holding the Company and the third party harmless for such disclosure and its use. The Company reserves the right, in its discretion, not to respond to a request for additional information.

## 7.10 Rehiring Former Employees

The Company may find it beneficial and cost-effective to hire individuals who have terminated their employment with the Company for various reasons. This policy defines rehire eligibility for former employees and provides relevant guidance for pre- and post-hiring considerations, including bridging.

Former employees are defined as individuals who have permanently terminated their employment, for whatever reason. It does not include employees who are on a temporary leave of absence, regardless of whether such leave is paid or unpaid, including medical leave, personal leave, or parental and family leave.

This policy does not prohibit any former employee from applying to any open positions posted by the Company.

### **Rehire Eligibility**

To be considered for rehire, former employees should have left employment with the Company for one of the following reasons:

- Voluntary resignation,
- Company lay-offs, in which employment is terminated,
- Expired contract, or
- Termination for reasons other than gross misconduct, or illegal or unethical behavior.

Former employees terminated for cause or job abandonment are generally ineligible for rehiring but may be considered under limited circumstances with approval from the hiring manager's supervisor and Human Resources. Limited circumstances include, but are not limited to, a reasonable belief supported by evidence that a former employee's conduct will no longer be problematic.

Former employees who are otherwise ineligible for rehire but are approved by Human Resources under the limited circumstances must have (1) completed their orientation period during the prior period of employment and (2) performed adequately while employed by the Company.

Individuals who accepted a job offer but didn't report to work on their first day won't be considered for rehire for a period of twelve (12) months, unless the reason for not reporting to work were outside the individual's control.

### **Employee Status and Seniority ("Bridging")**

Former employees rehired within twelve (12) months of their prior employment termination date will be credited with time worked for the Company back to their original hire date for purposes of service-based benefits such as Paid Time Off.

For former employees rehired more than twelve (12) months after their prior employment termination date, prior service with the Company will not count toward service-based benefits. Interns and co-ops are eligible for rehire, but if rehired, will not have their intern or co-op service counted for purposes of service-based benefits.

Deviations from this 12-month rule require HR and management approval.

### **Fair Decisions**

The Company is committed to providing equal employment opportunities in all hiring and employment decisions. When making hiring decisions, the Company will abide by the 3.1 Equal Employment Opportunity (EEO) and Non-Discrimination Policy and will not discriminate against any protected classes under federal, state, or local law.

However, the Company may give preference to former employees over other external candidates since former employees know the Company better than external candidates. The terms of collective bargaining agreements will govern the hiring of former employees who are being rehired into a collectively bargained unit.

## Chapter 8: Employee Benefits

### 8.1 Health and Welfare Benefits

Employee health and welfare benefits may vary from year to year, but generally include medical, dental, and vision insurance; disability benefits; accident and critical illness insurance; and retirement benefits. Employees should refer to the Total Rewards Portal ([www.myheritagegroup.com](http://www.myheritagegroup.com)) for detailed information about benefits offered, eligibility, covered dependents, and annual open enrollment dates or qualifying events. Employees can find summary plan descriptions and annual disclosures through the Portal.

Questions about benefits or an employee's eligibility should be sent to the Employee Hub at 1-800-303-0408 or [employeehub@thgrp.com](mailto:employeehub@thgrp.com). Union employees should refer to their collective bargaining agreement or contact Human Resources.

### 8.2 Short-Term Disability – Hourly Employees

This program provides eligible employees with Company-paid short-term disability coverage when absent from work due to a non-work-related illness or injury. An employee must comply with any leave of absence application requirements pursuant to the Company's Family and Medical Leave Act policy.

#### Eligibility

Regular, full-time Company hourly employees are eligible to participate in this program. Union employees should refer to their collective bargaining agreement and annual benefit materials.

#### When Benefits Are Paid

Short-term disability benefits are payable upon approval by UNUM of the claim if an employee is unable to work due to a non-work-related illness or injury. The employee must be unable to perform the essential functions of their job. If the employee is able to work on a part-time basis, or if they can perform the essential functions of the job with a reasonable accommodation, short-term disability benefits are not payable.

Elimination period – Short-term disability benefits paid through a third-party administrator and are payable after completing a 7-day elimination period. Other Paid Time Off may be available to assist employees during the elimination period.

#### How Short-Term Disability Benefits Amount

Once the employee has completed the 7-day elimination period, the short-term disability benefit is 70% of base pay up to a maximum weekly benefit of \$1,500 for a maximum of 25 weeks once the claim is approved by UNUM.

Base pay excludes overtime pay, whether scheduled or not, and any other premium pay or supplemental wages. Short-term disability pay is not counted as worked hours for purposes of computing overtime hours.

If benefits are payable for a period of less than a week, the amount payable for each missed workday will be prorated based on the number of days the employee regularly works in a week or, if the employee's schedule fluctuates, based on the average number of days worked in a week.

Family and Medical Leave Act (FMLA) time will run concurrent with any approved medical and/or applicable parental leave.

Company-paid premiums are included in employees' taxable income. Therefore, Short-Term Disability benefits received are tax-free to employees.

### **Definitions**

For purposes of this policy, the following definitions are provided:

- a) **Illness**—A disease or sickness, or a period of incapacity due to pregnancy, childbirth and any related condition is treated the same as an illness.
- b) **Injury**—Physical damage or hurt that is usually the result of a sudden accident or trauma.
- c) **Period of Disability**—The amount of time an employee is disabled due to an illness or injury as directed by employee's medical practitioner

### **Payroll Deductions**

The third-party administrator managing the benefits payable under this program issues the check for short-term disability benefits separate from the employee's company payroll check. For any period during which an employee is not receiving a check from company payroll, normal payroll deductions including any benefit plan deductions and tax withholding will stop. The employee should contact Employee Hub at 800-303-0408 or [EmployeeHub@thgrp.com](mailto:EmployeeHub@thgrp.com) for information regarding continuation of any health care and life insurance benefit coverages for which a payroll deduction is normally made. Contributions to the Retirement Savings Plan will end until the employee returns to active work unless there are earned eligible wages paid to the employee during the leave.

### **State-Mandated Disability Programs**

In some states, employees are eligible for state-mandated disability benefits and may be required to pay the cost of mandatory disability coverage. If the employee works in a state where disability insurance is mandated, they may file a claim with the applicable state disability authority for state-paid benefits in addition to benefits paid under this policy. The Company retains the right to reduce benefits paid under this policy by those paid under a state-mandated plan so that the employee receives no more than 100% of base salary in combined disability benefits.

### **When Benefits End**

Short-term disability benefits will end at the earliest of the following events:

- a) The employee is able to return to work.
- b) The maximum benefit under this program has been paid.
- c) The employee becomes eligible for Long-Term Disability benefits.
- d) The employee fails to provide any required medical documentation.
- e) The employee fails to return to work after accommodations have been made to meet any medical restrictions.
- f) The employee fails to obtain and follow medical advice or treatment recommended by a competent medical authority.
- g) The employee fails to comply with any return-to-work requirements.
- h) The employee ceases to be an eligible employee.
- i) Employment with the Company ends.



## How to Apply for Benefits

An employee who will be absent from work must notify Human Resources. The employee must also contact Employee Hub at 800-303-0408, or [EmployeeHub@thgrp.com](mailto:EmployeeHub@thgrp.com), to initiate the short-term disability application process. Medical documentation substantiating the illness or injury will be required.

### 8.3 Short-Term Disability – Salaried Employees

This policy provides eligible employees with Company-paid continuation of pay when absent from work due to illness or injury. Employees must comply with any leave of absence application requirements under the Company's Family and Medical Leave Act policy.

#### Eligibility

Regular full-time exempt employees are eligible to participate in this program.

#### How Short-Term Disability Works

- a) Employee will inform their HR business partner and Employee Hub, [EmployeeHub@thgrp.com](mailto:EmployeeHub@thgrp.com) of need for short-term leave at least 30 days or otherwise as early as possible prior to the leave start date.
- b) Duration of the leave and amount of pay continuation:
  - i) Employee's own medical leave for illness or injury: Company will follow the direction of the employee's physician regarding the duration of the leave due to medical necessity.
    - a) Leave requests must be approved by local HR Business Partner and Employee Hub.
    - b) Duration of the leave will be consistent with physician orders.
    - c) Benefit amount:
      - (1) Short-term disability benefit will be paid at 100% of base pay through the duration of the physician ordered time off up to a maximum of 13 weeks.
      - (2) For medical leaves exceeding 13 weeks based on physician orders, the short-term disability benefit will be paid at 80% of base pay from week 14 up to week 26, if necessary.
      - (3) If approved leave extends beyond physician orders, the time off is unpaid unless the employee has any remaining paid time off.
  - d) Family and Medical Leave Act (FMLA) time will run concurrent with any approved medical leave, including time compensated with paid time off or pay continuation.
  - e) Company may require medical documentation substantiating the illness or injury.
  - f) Normal tax withholdings and benefit-related payroll deductions will continue for the duration of this benefit.
  - g) Short-term disability benefits will be reduced by any other disability-related income employee may receive related to the reason for the leave, such as workers compensation benefits or state mandated disability programs so that in no case will more than 100% of base pay from all sources be received by employee.
  - h) Short-term disability benefits will end at the earliest of the following events: a) employee is able to return to work; b) the maximum benefit under this policy has been paid; c) employee becomes eligible for long-term disability benefits; d) employee fails to provide any required documentation; e) employee fails to return to work after accommodations have been made to meet any medical restrictions; f) employee fails to obtain and follow medical advice or

treatment recommended by a competent medical authority; g) employee fails to comply with any return-to-work requirements; h) employee ceases to be an eligible employee; or i) employee's employment with the Company ends.

## 8.4 COBRA

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their families the opportunity to continue health insurance coverage under the Company's health plan when a qualifying event would normally result in the loss of eligibility. Some common qualifying events are voluntary and involuntary termination of employment other than for gross misconduct, reduction in an employee's work hours, transition between jobs, death, divorce, or a dependent child no longer meeting eligibility requirements.

The Company will provide employees with written notice describing their rights under COBRA when they become eligible for health insurance continuation coverage. The notice will provide important information about the employee's entitlements and obligations. Should employees become aware of a qualifying event or have questions regarding COBRA coverage, please contact Employee Hub.

## 8.5 Education Assistance

The Company encourages employees to further their development through external educational opportunities. To assist in that development, the Company offers educational assistance as defined in this program.

### 1. Eligibility

Regular Full-Time employees who are actively at work are eligible to participate in the program. Coursework must be approved prior to the start date of the course. An employee should also discuss with their manager in a timely manner any interest in pursuing educational assistance so that budget considerations may be made.

### 2. Qualifying Expenses

The employee will be reimbursed 100% for tuition, books (including software) and registration fees up to a maximum of \$5,250 per calendar year. In accordance with existing tax law, reimbursements made under this program are considered tax-exempt. Coursework must meet the following requirements to be considered for reimbursement:

- a. Coursework must be post-high school level education;
- b. Coursework must be taken through an accredited educational institution. For purposes of this policy, such institutions include colleges, universities, trade schools, vocational schools, and professional associations and societies. If an educational institution is not readily recognized as accredited, the employee may be required to provide information regarding the institution. The Company reserves the right, at its sole discretion, to make the final determination of whether an institution meets the policy's accreditation requirement;
- c. Coursework must (i) add to the employees effectiveness on their current job assignment, (ii) contribute to their overall development such that it will benefit both the employee and the Company, or (iii) be part of a degree program that meets either (i) or (ii);
- d. Funds must not be duplicated through a federal or state program, through the G.I. Bill of Rights, or through a scholarship, grant, fellowship, or any other type of funding arrangement

that does not require repayment; Licensing and certification testing—if the employee is successful in obtaining the license or certificate—may also be considered reimbursable under this policy;

- e. Coursework must be completed with a minimum grade of “C” for graded coursework and a “Pass” for Pass/Fail courses; and
- f. Coursework must be approved by the employee’s manager.

### **3. Non-Reimbursable Expenses**

Expenses for which reimbursement will not be made include meals, transportation, charges for deferred payment of tuition, computers and other equipment, student fees, parking fees, transcripts, and fees associated with credit given for work experience.

### **4. Reimbursement Process**

The requirements and process to receive reimbursement are as follows:

- a. Employee discusses the request with their manager.
- b. Employee completes Educational Assistance Application Form and submits it to the manager for approval.
- c. Manager approves the application with their signature and submits to Human Resources for verification that all requirements are met.
- d. Within 60 days of completion of the course, employee submits a Reimbursement request form along with copy of expense receipts and final grade to the manager and Human Resources. Reimbursements will be included in the next regular paycheck that is administratively possible.

### **5. Requirement to maintain employment**

It is expected that employee will maintain employment with a Heritage company for 2 years after being reimbursed. After receiving reimbursement under this policy, if employee voluntarily terminates employment or employment is terminated for cause, employee must return to the Company:

- a. 100% of reimbursements received within the 12 months prior to termination, and
- b. 50% of the amounts received 13-24 months prior to termination.

## **8.6 Retiree Service-Based Payout**

Eligible employees retiring from a career at the Company are eligible to receive upon their retirement a Retiree Service-Based Payout (“Payout”). Union employees should reference their collective bargaining agreement. The purpose of this Payout is to recognize and reward long-term commitment and service.

### **Eligibility**

Regular full-time employees who are at least age 60 and have a minimum of five (5) years of service (THG plus prior service with acquisition company) at the time of their retirement are eligible for this Payout. Employees represented by a union should refer to their collective bargaining agreement.

**Retirement Notice**

Notice of an employee’s intent to retire should be provided to their immediate supervisor and to HR a minimum of ninety (90) days prior to the retirement date. Exceptions to the 90-day notice requirement will be made for retirements due to medical reasons or other unforeseen circumstances outside the employee’s control.

**Amount and Taxation of Payout**

<b>Years of Service</b>	<b>Gross Bonus Amount</b>
5 – 9	\$2,500
10 – 14	\$5,000
15 - 19	\$7,500
20 - 24	\$10,000
25+	\$12,500

The eligible, one-time payment is paid as a separate check at termination. The payout is treated as supplemental wages for purposes of tax withholding. The gross amount will be reduced by applicable tax withholding and 401(k) employee contribution deferrals.

## Chapter 9: Workplace Monitoring, Inspections, and Telecommuting

### 9.1 Workplace Monitoring

The Company may conduct workplace monitoring to ensure quality control, employee safety, conformity with Company policies, and customer satisfaction.

The Company may conduct audio and/or video surveillance of any and all workplace areas, excluding only bathrooms and private offices with door locks. The Company may also monitor telephone and electronic resource usage without advance notice and on a random or selective basis. Every effort will be made to confine monitoring to the legitimate needs of the business. Continuing to work for the Company after an employee has become aware of or should have become aware of this policy constitutes the employee's acknowledgment of and consent to the Company's monitoring policy.

### 9.2 Inspection of Property

Lockers, vehicles, desks, toolboxes, and file cabinets are Company property and must be maintained according to Company rules and regulations. They must be kept clean and are to be used only for work-related purposes. To ensure compliance with its rules and regulations, the Company reserves the right to inspect all Company property without prior notice to the employee and/or in the employee's absence. As such, employees should have no reasonable expectation of privacy in their use of company property.

Prior authorization must be obtained before any Company property may be removed from the premises.

An employee's personal property, including but not limited to toolboxes, packages, purses, and vehicles, may be inspected upon reasonable suspicion of unauthorized possession of Company property, weapons, or illegal drugs. Remaining with the Company after an employee becomes aware of (or should have become aware of) this policy constitutes consent to this Inspection of Property Policy.

### 9.3 Telecommuting

The Company recognizes that telecommuting may be an effective work alternative appropriate for some employees and limited jobs. Telecommuting will not work for the vast majority of jobs at our Company. This policy, therefore, describes an alternative work arrangement that, in limited circumstances, may be mutually beneficial for the Company and certain employees. This policy reflects the Company's commitment to creating, developing, and retaining the most effective and productive workforce it can in today's competitive economic environment.

"Telecommuting" means working at home or other off-site locations that are linked through computers, telephones, and other equipment to one or more of the Company's locations. This includes employees in positions that allow a limited work from home ability. The Company maintains complete discretion over which employees and which positions may be eligible to telecommute, as well as the duration of such an arrangement. This discretion is generally defined by the preference and abilities of the employee, the Company's business needs, and applicable employment laws. The policy does not apply to situations in which a manager may permit an employee to work at home on a temporary, irregular basis.

Certain positions are more amenable to telecommuting than others. Positions that involve clearly defined and independently achievable objectives and minimal face-to-face contact are naturally more appropriate for telecommuting than positions requiring frequent personal interaction with customers, vendors, and

other employees. Each manager, in collaboration with Human Resources, will decide requests to telecommute on a case-by-case basis, subject to continuing performance and independent duration requirements.

An employee working pursuant to a telecommuting arrangement is subject to the same terms and conditions of employment and will be expected to maintain the same level of professionalism, work quality, and work quantity that would be expected under a traditional work arrangement. Working hours will be mutually agreed upon by the manager and the employee and will be dictated by the needs of the business. Non-exempt employees will be expected to maintain meticulous records of all time worked. Telecommuting employees will be required to report to the office for work or meetings on an as-needed basis.

Telecommuting employees must also be able to establish a designated workspace in their homes. This workspace must provide assurance that confidential information pertaining to the Company, its employees, vendors, and customers will remain confidential. The Company retains the right to inspect the work area to ensure that a safe, productive environment is being maintained. The Company will provide employees with all necessary equipment, but the employee is responsible for providing adequate internet connectivity. Employees must also comply with all software license limitations imposed on or held by the Company. Dependent care issues must not interfere with the employees' work productivity or performance. Any tax implications related to the at-home work arrangement are the sole responsibility of the employee.

The Company reserves the right to modify or terminate any and all telecommuting arrangements at any time with or without notice.

## Chapter 10: Information Technology

*The policies in this chapter are governed by The Heritage Group's IT Department, and may be updated periodically and more frequently than this Handbook. Employees should refer to the Total Rewards Portal ([www.myheritagegroup.com](http://www.myheritagegroup.com)) for the full catalog of IT policies and updates to those included in this Handbook. Training and employee acknowledgment may be required for each standalone policy.*

### 10.1 Acceptable Computer Usage

It is the policy of The Heritage Group (THG) and the responsibility of all users of its computing resources and information assets to:

- Comply with all computer software copyrights and adhere to the terms of all software licenses to which THG is a party.
- Protect the confidentiality, integrity and security of the hardware, data, information, and software applications used by THG.
- Appropriately and effectively use the computing resources and information as required for THG operations and mission.

#### Administration and Enforcement

The THG Corporate IT Group is charged with administering this policy and each THG business unit manager is responsible for its enforcement. Employees are to be made aware of this policy during the hiring process or contracting process and signed copies will be maintained in the employee's master personnel file or supplier contract files.

Any user who intentionally violates this Policy will be subject to disciplinary action(s).

#### Scope of the Policy

This policy applies to users, computing resources, and information assets consisting of hardware, software, data, communications process and service providers including but not limited to:

- Users are employees, temporary employees, consultants, and service providers granted access to THG computer resources. Each user is required to read, understand and agree to comply with this policy.
- Hardware includes servers, desktop and laptop computers, tablets, PDAs, cell phones, smartphones, portable drives and storage devices, monitors, printers, routers, modems, switches, and multi-function copy machines and any other devices that will attach directly or indirectly to the THG network or its computing assets.
- Software includes applications that will be loaded onto a hardware device owned by THG or managed on its behalf.
- Data or information that will be stored on a hardware device owned by THG or managed on its behalf that is public, confidential and protected business and personal data, business information, information that is provided by or shared with customers and partners
- Communications include electronic means of communication such as email, blogs, discussion boards, forums and/or online postings.
- Service providers may include managed services providers, systems analysts, hardware break/fix, auditors, contract resources, business analysts, offsite hosting, etc.

## Reasonable Care

Users and service providers are to exercise reasonable care with regard to THG computing resources and information assets which includes, but is not limited to:

- Immediately reporting lost or stolen computing resources and/or information assets to the THG IT department.
- Responsibly caring for and safeguarding from damage and theft THG computing resources and/or information assets
- Immediately reporting any breach of security or intrusion by viruses, malware, or other users
- Immediately reporting any misuse of computing resources and/or information assets.
- Immediately reporting any suspicious behavior of other employees or non-employees.

## Complying with Licenses and Copyrights

- It is the policy of THG to comply with all software and hardware licenses and copyrights.
- **Unauthorized duplication of software may subject users and/or THG to both civil and criminal penalties under the United States Copyright Act.** According to the US Copyright Act, illegal reproduction of software is subject to civil damages of as much as US\$100,000 per title infringed, and criminal penalties, including fines of as much as US\$250,000 per title infringed and imprisonment of up to five years.
- Users may not duplicate any licensed software or related documentation for use either on THG premises or elsewhere unless THG is expressly authorized to do so by agreement with the licensor.
- Users may not give company software to any outside entities including employees, contractors, customers or others.
- Users may only use software in accordance with applicable license agreements.

## Ownership of Data

The following standards apply to ownership of data:

- All data and data files must have an owner who is responsible for the content, access authorization, protection and integrity of the data
- Owners of data are responsible for defining their data's retention and archival requirements and communicating these requirements to IT.
- THG IT is the custodian of business unit data, not the owner of business unit data.

## Altering Computer and LAN/WAN Configuration

- **Users are not permitted to install any software or hardware on any company owned computer without obtaining approval.**
- Users are not permitted to alter the hardware configuration of any company provided computer equipment, or LAN/WAN networking device.
- Users are not permitted to disable the anti-virus or other system management services (firewalls, encryption, Windows or other updates, anti-spyware, etc.), or change the configuration of the operating system.
- Users are not permitted to install alternate ISP or WAN data network services into any THG facility.



## **Purchasing Hardware and Software**

- **All computer hardware and software purchases must be approved by and/or purchased through the THG IT department.**
- To initiate a purchase request, a detailed request should be sent to the THG IT department help desk, including the account and department to which the equipment is to be charged.
- Employees with procurement card privileges are not to purchase computer hardware or software with these cards without prior approval from the THG IT department.
- Employees must obtain company provided workstations and cannot use personal workstations on THG network.

## **Registration of Software, Hardware and Services**

- All software, hardware and services requiring licenses or implying ownership must be registered in the name of THG or the appropriate business unit. These items must never be registered in the name of an individual user or external service provider.

## **Disposal of Computing Hardware**

- Users need to contact THG IT for scheduling an authorized company to clean and dispose of equipment.

## **Computer Equipment and Software Personally Owned by a User or Service Providers**

Without the prior approval of the ITSS, users and service providers are prohibited from:

- Installing software on THG's computers,
- Directly attaching computer equipment (laptops, desktops, routers, wireless devices, etc.) to the company network, or
- Installing company owned software on the user's or service provider's personal computer, tablet or smartphone. The only deviations from this rule pertain to Office 365 installations, permitting users to deploy it on a maximum of 5 mobile devices and 5 computers, and the Workday application, which grants access to functions for employee-self-service functions.

## **Hardware and Software restrictions**

- The use of unauthorized portable storage devices is strictly prohibited on all non-THG external information systems.

## **Audits**

- There will be periodic audits of all THG computer assets to ensure that THG and users are in compliance with all software licenses and this policy and full cooperation of each user is required during an audit.
- THG IT monitors the network and IT assets on a regular basis. If events occur that could jeopardize the availability or security of IT resources or put THG at risk of legal liability, IT will notify appropriate management and could result in disciplinary action.

## **Email Usage**

- Company email accounts are for business use only and company email addresses should generally not be used to register for personal ecommerce or private communications

- Users must not use the email system for 'spamming', either internally or externally. Spamming is defined as the sending of unsolicited, unnecessary or unwanted emails to other email users.
- All e-mails are to be professional and must not contain inappropriate or offensive content.
- Users should not conduct THG business using third party email accounts like Gmail, Yahoo, etc.
- Users are prohibited from automatically forwarding THG email to a third-party email system (e.g. Gmail, Yahoo, etc.).
- **Email is not archived, and backups are retained only for 30 days.** Users must take steps to provide for an archival process if required.

### **Access to Computer Resources**

- Access to THG computer resources and data is restricted to authorized users only. Users requiring access to THG technology must be onboarded through the standard HR onboarding processes. Users must also be offboarded through the standard HR offboarding processes to drive the removal of access to THG technology.
- Employees, with manager approval, may grant access to THG computer resources to service providers, customers or temporary employees but this access must be required by a clearly defined business need.
- Access will be granted only for the time needed to perform the task.
- Contract and contingent workers must be registered with THG's HR Shared Services (HRSS) group. This registration process then drives the request and setup of contract and contingent workers' access.
- THG may require multi-factor authentication (MFA) to access company technology resources and/or data. The company's MFA solution is Microsoft Authenticator which must be installed on a company and/or personal mobile device.

### **Ownership of Stored Documents and Data**

- All data and information, including emails, pictures, and other documents, stored on company owned computers, tablets, smartphones, and other devices is the property of the company and users should have no expectation of privacy.
- Data created during one's job/role is property of the company.
- When an employee separates from the company IT can grant access to the former employees data (e.g. email, OneDrive for Business, etc.) at the request of HR and/or supervisor. This data will be retained for 91 days post separation and then will be deleted.
- Personal data should be stored only on the local computer drive and must not impact the performance of the computer.
- Personally owned documents stored on network storage are subject to deletion at any time and without notice.

### **Systems and Information Integrity, Security, and Confidentiality**

It is the responsibility of each user to help maintain the integrity, security and confidentiality of the information and systems that they use or manage.

- Users must not openly post system passwords nor are passwords to be shared with others. Passwords should not be stored on sticky notes or electronic files stored on a users' computer or other company technology resource.

- Users must use the username/password credentials they are assigned and are not to share access.
- Where possible in THG applications, all user account passwords established on internal systems that will contain Heritage data must conform to the following password security requirements:
  - Password expiration = 90 days
  - Password minimum age = 1 day
  - Password history = 8 passwords
  - Minimum password length = 8 characters
  - Passwords complexity must mix alpha, numeric and special characters
  - Maximum invalid login attempts = 3
  - Account lockout duration = 15 minutes
- Users are not to install or use any software intended to bypass security measures.
- Users are not to maliciously remove or modify company data.
- Only specific storage devices are backed up by THG IT for recovery purposes. The user is responsible for all information stored on removable media or local (non-server based) storage drives. **Desktops, laptops, tablets and portable drives are not backed up.**
- Users are to comply with all electronic document retention policies as required by their business unit management or by THG policy.
- THG mandates the use of the latest acceptable encryption standards to safeguard data in transit.
- All user endpoints have a maximum operational lifespan of four years, after which they must be evaluated and, if necessary, replaced to ensure compliance with our security standards. Similarly, servers and network hardware are subject to a maximum operational lifespan of five years.
- To ensure that policies and regulations regarding the physical operating environment for organizational assets are strictly adhered to, THG employees will maintain secure physical locations for our servers and workstations, controlling environmental conditions to optimize equipment performance and longevity, and ensure that all physical access to these assets is governed by our comprehensive security protocols.

Data is classified as Confidential, Internal Use, or Public. The definition of and handling of this information must conform to the guidance in the table on the following page:

		Storage Device or Destination							
		Lower Risk				Higher Risk			
		Network (server/mapped drive, SharePoint, OneDrive for Business)	Desktop (local drive)	Portable Computer (Local drive on laptop, Tablet)	Smartphone (iPhone, Android)	Email	Partner Collaboration Portal (data room, FTP site)	Portable Drive (zip drive, thumb drive, USB drive, and similar)	Public Cloud (Clouddrive, Box, OneDrive Personal Dropbox, GoogleDrive, etc.)
Information or Data Type	Heritage Confidential Data	Allowed	Not Allowed	Not Allowed	Not Allowed - unless device is encrypted, password protected, and document is backed up	Not Allowed - unless document is password protected and sent encrypted	Not Allowed - unless approved by manager, document is password protected, site is SSL encrypted, and document is backed up	Not Allowed	Not Allowed
	Heritage Internal Use Only Data	Allowed	Allowed	Not Allowed	Not Allowed - unless device is password protected, and document backed up	Allowed	Not Allowed - unless approved by manager, document or portal is password protected, site is SSL encrypted, and document is backed up	Allowed but not advised - device should be encrypted, password protected, and document backed up	Not Allowed
	Heritage Public Data	Allowed	Allowed – device must be encrypted and password protected	Allowed – device must be encrypted and password protected	Allowed – device must be encrypted and password protected	Allowed	Allowed	Allowed	Allowed
	Heritage Backup Process	Daily automatic with 30-day retention	No Automatic Backup or not controlled by THG IT	No Automatic Backup or not controlled by THG IT	No Automatic Backup or not controlled by THG IT	Daily automatic with 30-day retention	No Automatic Backup or not controlled by THG IT	No Automatic Backup or not controlled by THG IT	No Automatic Backup or not controlled by THG IT

**Heritage Confidential Data**

Any data that contains personally identifiable information concerning any individual and is regulated by local, state, or Federal privacy regulations. Examples include Social Security Number, name with address, banking information, etc. **NOTE: Credit Cards are considered Confidential Data but are not to be stored electronically.**

**Heritage Internal Use Only Data**

Any data that is not classified as Heritage Confidential Data, but which is information that Heritage would not distribute to the general public. Examples include financial data, intellectual property, information provided to Heritage by customers, vendors or partners, data declared confidential, contracts and agreements, etc.

**Heritage Public Data**

Any data that is not classified as Confidential or Internal Use Only and that is already publicly available, or Heritage would be comfortable making publicly available.

## Internet Use

- Access to the Internet is limited to those users who have a business need. A manager may be required to approve/disapprove a user's Internet access.
- All Internet access is monitored and filtered to prevent abuse and inappropriate content. Users should not access inappropriate content on the Internet such as, nudity, violence, drugs and gambling. Reports of usage will be provided to the appropriate management teams upon request or if abuse is detected.
- Users accessing the Internet are acting as representatives of THG. As such, employees must act in a way that does not damage the reputation of the company or violate the confidentiality, integrity or security of the company computer systems or information.
- Users shall not establish internet email accounts (google mail, yahoo mail, etc.), register URL's, web sites or blogs which could be interpreted to represent the company or would be used to transact company business without prior management approval.
- Users shall not publish any content damaging to the company's reputation, themselves or other individuals within the company on social networking sites, blogs or forums.
- The truth or accuracy of information on the Internet and in e-mail should be considered suspect until confirmed by a separate reliable source.
- Employees shall not place any company material (copyrighted software, internal correspondence, etc.) on any publicly accessible Internet site without a clearly defined business need and prior management approval.
- The Internet does not guarantee the privacy or confidentiality of information. Sensitive material transferred over the Internet may be at risk of detection by a third-party and therefore should be sent encrypted. Employees must exercise great caution and care when transferring such material in any form.
- Unless otherwise noted, all software on the Internet should be considered copyrighted work. Therefore, employees are prohibited from downloading software and/or modifying any such files without permission from the copyright holder and compliance with all other licensing requirements.
- 'Shareware' and 'freeware' downloadable from the Internet must be reviewed and installed by the THG IT group.
- Any infringing activity on the Internet by an employee may be the responsibility of THG. Therefore, THG may choose to hold the employee liable for their actions.

## Social Media

The general use of social media is determined by each business unit. All social media use from THG owned equipment and THG network-connected devices is monitored and filtered by THG IT to prevent abuse and inappropriate content. Excessive use of social media may result in disciplinary actions.

Posting of content to corporate sponsored social media (e.g. the corporate Facebook page) is permitted only for the HR Department or as approved by HR Department. Please refer to the Electronic Media Policy for further guidance.

### Inappropriate Content on Social Media

While social media contains legitimate business and personal content, it also includes content that is inappropriate for the workplace including nudity, violence, drug abuse, sex, and gambling. Therefore, the

same inappropriate content policy that applies to the broader Internet use, also applies to content found within social media. Inappropriate content should not be accessed by employees while at work, or while using company resources. Employees should use common sense and consideration for others in deciding which content is appropriate for the workplace.

### **Mobile Devices**

The following standards apply to the use of mobile devices for THG business use:

- Only supported mobile devices are authorized for connection to THG systems. Exceptions must be approved by THG IT.
- All mobile devices that connect to the THG environment must be registered.
- All devices must have the ownership information correctly stored on the device (e.g., your name and telephone number).
- Mobile devices containing THG documents or email must be secured with a PIN and device encryption.
- THG reserves the right to remove company data from any mobile device.

### **Policy Governance Framework**

This policy is governed by the NIST Cybersecurity Framework (CSF), which provides a structured approach to managing cybersecurity risk. The framework's core functions of Identify, Protect, Detect, Respond, and Recover guide the development and implementation of this policy to ensure a comprehensive and resilient cybersecurity posture."

## **10.2 Electronic Media Policy**

The Company expects all employees to act professionally and to refrain from behavior, both on and off the job, which could adversely impact the Company's reputation or mission. Further, the Company requires employees to treat their coworkers and others with respect at all times. These standards apply to any statements made or information placed on or through electronic media. (e.g., Facebook, Twitter, Instagram, Snapchat, LinkedIn, etc.).

We support our employees' use of electronic media as a vehicle for social and business networking. However, employees are prohibited from expressing their personal opinions that are maliciously false about the Company, its directors, management, employees, customers or vendors, either by name or by implication, using electronic media. Content placed on electronic media regarding the Company, or its directors, management, employees, customers or vendors *must make clear that it does not represent the views of the Company.*

In addition, content placed on electronic media must not be discriminatory, violent, vulgar, obscene, threatening, intimidating, harassing, slanderous or similarly unlawful toward employees, management or the Company or violate the Company's Equal Employment Opportunity, Anti-Discrimination, Anti-Harassment, and Code of Business Conduct policies. Examples of such conduct includes offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment for any reason but especially if such posts have as their basis race, sex, disability, religion, or other status protected by law or Company policy.

Employees must not post any information on or through electronic media that the Company considers to be confidential, including but not limited to trade secrets, photographs of company property or processes,

recordings of conversations among company personnel, proprietary information, and all other non-public information and data of or about the Company and its business. Trade secrets, proprietary information and non-public information and data about the Company include information regarding the development of systems, processes, products or services, know-how, and technology.

Employees' use of electronic media should not interfere with work commitments or performance. Posting of content to corporate sponsored electronic media (e.g. the corporate Facebook page) is permitted only for the Company's Marketing and Communications or HR Teams.

This policy does not, in any manner, prohibit employees from discussing among themselves wages, benefits, and other terms and conditions of employment or workplace matters of mutual concern that are protected by the National Labor Relations Act.

Employees learning of electronic media that is inconsistent with the requirements of this policy must immediately notify Human Resources or contact the Ethics Hotline at 888-THG-1930 or THG.IntegraReport.com. Violations of this policy may result in disciplinary action up to and including discharge.

### 10.3 AI Use in the Workplace

The Company recognizes that the use of AI tools like Copilot, Azure AI, etc. ("AI Tools") can increase employee productivity and foster innovation, and we support the use of AI Tools in a safe, ethical, and secure manner. At the same time, we recognize that the use of AI Tools can pose risks to our operations, privacy of data, security, and customers.

The purpose of this AI Use in the Workplace Policy (this "Policy") is to provide employees with guidelines for the responsible use of AI Tools while protecting the Company and mitigating the risk of misuse, unethical outcomes, potential biases, inaccuracy, and information security breaches. Employees are responsible for using AI Tools in a productive, ethical, and lawful manner.

#### **Scope**

This Policy applies to all THG employees and contingent workers (i.e., contractors or subcontractors) (collectively referred to herein as an "Employee" or "Employees") in the course of their employment with the Company.

THG has defined and maintains an [inventory](#) of approved AI Tools that may be used for business purposes. Use of non-approved AI Tools is prohibited. Any new AI Tools must first be approved by THG's AI Committee before use. Please refer to The Heritage Group New Technology Policy for further information on requesting new AI Tools.

#### **Compliance with Related Policies and Agreements**

This Policy is intended to add to, not contradict, limit, or replace, applicable mandatory rules, policies, legal requirements, legal prohibitions, and contractual obligations, all of which remain in full force and effect. Accordingly, any use of AI Tools under this Policy must further comply with the relevant policies, internal controls, and guidelines of the Company, including the Company's:

- Code of Business Conduct and Ethics;
- Equal Employment Opportunity, Non-Discrimination, and Anti-Harassment Policy;
- Acceptable Computer Use and Security Policy;

- HIPAA Notice of Privacy Practices;
- California Consumer Privacy Notice;
- Data Privacy Framework Policy;
- External Privacy Notices and Personal Information Processing Policies and Agreements;
- Any and all Confidentiality and Non-Disclosure Agreements between the Company and any employee, contingent worker, vendor, or other third-party; and
- Any Employee or Safety Handbook.

### **Guidelines for Using AI Tools**

When using AI Tools, Employees must:

- Use them for the following authorized purposes, such as:
  - Drafting emails, letters, memoranda, and presentations; and
  - Conducting research both internally and externally.
- Where possible, use a Company-provided email address for log-in purposes. A personal email address and/or personal license should not be used.
- Not enter any Company, employee, customer, or third-party confidential, trade secret, or other personal or proprietary information into a prompt for an AI Tool unless such AI Tool is on the approved AI Tool inventory list or is otherwise authorized in advance in writing by ITSS and the owner of any such information.
- Not use offensive, discriminatory, or inappropriate content.
- Thoroughly review all AI Tool outputs before using them or forwarding them to others inside or outside the Company to:
  - Ensure that they do not contain biased, offensive, or discriminatory content;
  - Ensure they do not improperly use or disclose personal or confidential information; and
  - Verify accuracy or reported facts with other trusted sources.

Employees are prohibited from using AI Tools to:

- Conduct or solicit illegal activities;
- Infringe the rights of others, including privacy and intellectual property rights; and/or
- Interfere with the performance of their jobs or of other Employees' jobs.

### **AI Tool Audits**

From time to time, ITSS may perform the following duties to facilitate Employees' compliant use of AI Tools:

- Implement an audit system to carefully monitor and document all AI Tool inputs and outputs. This may include identifying the source of all data sets used with AI Tools and labelling AI Tool outputs to indicate that they were produced in whole or in part using AI technology.
- Keep accurate records of audits, determinations, and decisions and any communications of these to Employees and third parties.
- Consult with legal counsel regarding any legal issues raised by or during any activities referred to in this Policy section and escalate these issues to executive management, when necessary.
- Block access to and/or usage of non-approved AI tools, where possible.



## **Mandatory Training**

An informed workforce is the best line of defense. The Company will provide training opportunities and expert resources to help Employees understand their obligations under this Policy and avoid creating undue risks. Employees must complete AI use training in the time period requested by THG after initial hire and at all other times as required by the Company. Failure to participate in required training will be considered a violation of this Policy.

## **Reporting Non-Compliance with This Policy**

If you become aware of an actual or potential violation of this Policy by you or any other THG Employee, or have reason to believe that any of the following have been downloaded to or installed on any Company systems or devices, you must promptly disclose this fact to ITSS together with all relevant documents and information:

- An unlicensed AI Tool, if usage requires a license;
- An AI Tool that has not been approved for use in accordance with this Policy;
- An AI Tool that is used outside of the approved manner or scope; and/or
- An AI Tool that poses an identified, unaddressed security risk or contains any material defects or malicious code.

## **Violations of This Policy**

If ITSS determines any Employee, regardless of position or title, has engaged in conduct in violation of this Policy, they will be subject to discipline, up to and including termination of employment.

## **Administration of This Policy**

The Company expressly reserves the right to change, modify, or delete provisions of this Policy without notice.

ITSS is responsible for the administration of this Policy. If you have any questions regarding this Policy or questions about using AI Tools in the workplace that are not addressed in this Policy, please contact ITSS at [AI@thgrp.com](mailto:AI@thgrp.com).

## **Conduct Not Prohibited by This Policy**

This Policy is not intended to restrict communications or actions protected or required by state or federal law.

## **10.4 IT Security**

This Information Technology (IT) Security Policy (Policy) applies to all employees and contractors of The Heritage Group and its operating companies (THG) who have a company-issued email address. IT security focuses on protecting THG's computers, networks, programs and data from unauthorized access and damage. Violations of this Policy and the associated IT security protocols will result in disciplinary measures as provided herein.

### **IT Security Awareness Training**

1. The IT Shared Services (ITSS) division of THG will assign IT security awareness training to users at a cadence that ITSS deems appropriate (usually annually). Users determined by ITSS to be higher

risk will receive additional training assignments, as needed. Higher-risk populations include users with access to payroll, financial and accounting systems; users with access to sensitive HR data; company officers and their administrative personnel; and/or users that have higher frequencies of attack.

2. For all training assignments, regardless of a user's high- or low-risk status:
  - a. Users will receive system-generated notices about and reminders to take the assigned training.
  - b. Failure to complete assigned training within the allotted time frame will result in the disabling of access to THG's IT systems unless and until the required training is completed.
  - c. Supervisors of each user who fails to complete any training within the required timeframe will be notified directly.
  - d. Repeated noncompliance with this provision will be deemed an act of insubordination and will result in suspension without pay or termination.

### IT Security Tests

All users to whom this Policy applies will receive quarterly "phishing" prompts that are designed to test a user's awareness of and compliance with THG's IT security protocols. Users who fail such tests will be addressed as follows:

1. **Failure 1:** The user, user's supervisor, user's appropriate IT leader, and user's HR Business Partner (HRBP) will be notified, and cybersecurity training will be assigned and completed within 48 business hours after (i) the failure, or (ii) returning to work from an excused absence (e.g., a user is on leave, taking scheduled PTO, etc.). If the training is not completed as provided, ITSS will disable the user's access until the training is completed.
2. **Failure 2:** A second failure within the same 12-month period as Failure 1 will result in the same actions as set forth in 2.a. above, plus:
  - a. the user's access to the Internet (other than approved, business-necessary cloud-based solutions) will be shut off for 90 days; and
  - b. the user and the user's supervisor will be required to complete five (5) additional cybersecurity training modules in the 30-day period that follows.
  - c. the user's HRBP will provide the user a written warning and the written warning will be added to the user's HR file.
3. **Failure 3:** A third failure within the same 12-month period as Failures 1 and 2 will result in the following actions:
  - a. ITSS will immediately suspend the user's access to THG's network, and notify the user's supervisor, the user's appropriate IT leader, the applicable HRBP, and user's business president (or equivalent);
  - b. the user's access will not be restored unless and until the user completes related training within one (1) hour of losing access due to the third failure;
  - c. the user's access to the Internet (other than approved, business-necessary cloud-based solutions) will be shut off for one (1) year;
  - d. the user and the user's supervisor will be required to complete 5 additional cybersecurity training modules in the 30-day period that follows; and

- e. the user's supervisor and the HR business partner will be required by this Policy to implement additional disciplinary action under this Section 2.c., up to and including a reduction in the user's annual bonus eligibility.
4. **Additional Failures:** More than three (3) failures within the same 12-month period will be escalated to the president (or equivalent) of the applicable THG company who will be required by this Policy to implement additional disciplinary action, up to and including suspension without pay and termination. The user, user's supervisor, user's appropriate IT leader, and the user's HRBP will also be notified.

### **Inputting Credentials**

ITSS has tools in place that detect when a user inputs credentials into non-company and potentially malicious websites.

1. If ITSS tools detect a user inputting credentials into such sites:
  - a. the user's access to the THG network and email will be suspended immediately;
  - b. to regain access, the user must complete related training within one (1) hour after ITSS re-enables access;
  - c. the user's access to the Internet (other than approved, business-necessary cloud-based solutions) will be shut off for one (1) year;
  - d. the user will be required to complete five (5) additional cybersecurity training modules in the 30-day period that follows; and
  - e. the user's supervisor and the HRBP will have a counseling session with employee.
2. If ITSS tools fail to detect a user inputting credentials into such sites and a security breach results, the matter will be escalated to the president of the applicable THG company who will be required by this Policy to implement appropriate disciplinary action, up to and including suspension without pay and termination.

### **Do Your Part**

Every user is empowered to protect the Company's IT. Users should report suspected email-based cyber threats to ITSS via the "Report Phish" button in Outlook, or by forwarding any suspicious email or IT activity to the ITSS Service Desk. Each quarter, as a way to recognize those of you doing your part, ITSS will review all legitimate phishing or other potential IT security issues reported and award three (3) \$50 gift cards to individuals selected at random from all users.

# Chapter 11: Safety and Health Policies

## 11.1 AMI Cardinal Rules

Through communication, education, and prevention, we accomplish our goal of getting our employees home safely at the end of the day and is our number one priority. **Safety is everyone's responsibility.**

A Cardinal Rule is a rule that, if violated, has the potential to cause a fatality or serious injury. AMI has seven (7) Cardinal Rules, and they are as follows:

**1. Confined Space Entry**

Employees may not enter identified Permit required confined spaces unless properly trained and all established company procedures are followed.

**2. Fall Protection**

Employees must use fall protection when exposed to a fall hazard of four (4) feet or more.

**3. Electrical Safety**

Only appropriately trained and qualified personnel are permitted to work on electrical equipment.

**4. Hazardous Energy (Lock Out/Tag Out)**

Prior to performing work on any piece of equipment, employees shall identify all hazardous energy forms, secure them with locks and tags, and verify Zero Energy State.

Zero Energy State is defined as the elimination and/or control of hazardous energy such that it is no longer represents a hazard to employees.

**5. Hot Work/Line Breaking**

Employees shall not perform any Hot Work or Line Breaking unless properly trained and all established company procedures are followed.

**6. Machine Guarding and Interlocks**

Employees shall not tamper with, remove, bypass, or disable machine guarding or safety interlocks while operating machinery.

**7. H<sub>2</sub>S Monitors**

Every employee entering process areas will wear a H<sub>2</sub>S monitor (or) be accompanied by someone that is wearing one.

Cardinal Rules are best followed by doing the following:

1. Ask questions to an experienced employee or a manager.
2. Read all safety signs and follow PPE requirements.
3. Conduct a Risk Assessment – How can this task hurt me? What's the worst that could happen?
4. Ask yourself – Do I feel properly trained for this task?
5. Think it's unsafe? YOU HAVE AUTHORITY TO STOP WORK!

Everyone has the authority and duty to refuse or stop work that is or has become unsafe.

Immediately inform a manager of the situation, so whatever measures are necessary to stabilize the immediate work area or situation are taken. There will be zero negative consequences for refusing or stopping work believed to be unsafe.

## 11.2 Safety and Workplace Incidents

All employees are responsible for maintaining a safe work environment. The Company encourages open communications and discussions of any concerns with management. As a condition of employment, each employee must:

- Obey all AMI Cardinal Rules and any other safety rules set by each location,
- Exercise appropriate care in carrying out duties and assignments,
- Immediately report any unsafe conditions to management, and
- Immediately report any injury to management.

### **Personal Protective Equipment (PPE)**

The Company provides special clothing and equipment (PPE), or reimburses for it, when such clothing and equipment is required by law or Company policy. Employees are responsible for the proper use and maintenance of PPE. The following items constitute the minimum required PPE at all plants:

- Cotton long sleeve shirts
- Long pants (e.g., denim jeans)
- Safety toed shoes
- Safety glasses
- Hard hat or bump cap

Other PPE may be required by location, role, or specific task. Failure to comply with required PPE is a violation of this policy.

### **Workplace Incidents**

All unsafe conditions and safety-related incidents in the workplace must be reported immediately to an employee's manager or the Regional Safety Manager, if the employee's manager is unavailable. Reports may also be made by calling the Ethics Hotline at 1-888-THG-1930 or by visiting [THG.IntegraReport.com](https://www.thg.com/IntegraReport).

Following a work-related accident or incident, an employee must immediately submit to post-accident drug and alcohol testing. A "near miss" may qualify as an incident under this policy. The employee will be temporarily removed from their position pending receipt of the test results.

Retaliation against any employee who reports an unsafe condition, accident, or other safety-related incident is prohibited.

### **Safety Policies and Training**

The Safety Department and each location have specific safety policies based on location, job, and equipment. All employees are required to complete onsite and computer-based safety lessons within their orientation period, on an ongoing basis, and as required for remedial training.

## 11.3 Worker's Compensation

Workers' Compensation is a state-mandated program that provides benefits to any employee who suffers a work-related illness or injury. Benefits can include lost wages, medical expenses, and permanent disfigurement and/or disability payments. For the avoidance of doubt, workers' compensation coverage does not extend to an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by the Company.

### Reporting a Work-Related Illness or Injury

Employees are required to immediately report a work-related illness or injury to their manager or the Regional Safety Manager, if the employee's manager is unavailable. Failure to do so may preclude an employee's eligibility for coverage under a Workers' Compensation program.

### Coordination with Company Short-Term Disability Benefits

On occasion, the determination that a disability is work-related may be delayed. If an employee receives short-term disability benefits for the same period of time that is ultimately deemed to be a work-related condition, repayment of some or all of the short-term disability benefits will be required.

## 11.4 Use of Company Equipment

When using any Company Equipment, employees must exercise reasonable care and follow all operating instructions, safety standards, and guidelines. Equipment here means any hand or power tools, machinery, or heavy equipment such as a forklift or skid steer. Additionally, all employees must notify the Company if any Equipment appears to be damaged, defective, or in need of repair or maintenance. Prompt reporting of these concerns may prevent deterioration of Equipment and possible injury to employees or others. Questions about an employee's responsibilities regarding maintenance and care of Equipment should be directed to the Plant Manager of the site in which the Equipment is located.

Employees must receive proper training and management approval prior to operating any Equipment. The Company has the sole discretion to revoke the use of Company Equipment.

Any other violations of this policy may also result in disciplinary action, up to and including termination of employment.

## 11.5 Tobacco-Free Workplace

It is the Company's intent to provide a safe, clean, and productive work environment for all employees and visitors. As such, the use of tobacco products is prohibited in or on Company property, including Company vehicles and equipment, except as otherwise designated in this policy.

Tobacco products include cigarettes (including electronic cigarettes), vapes, cigars, pipes, snuff, dip, chewing tobacco and all other tobacco products. For purposes of this policy, electronic cigarettes are not deemed to be a smokeless product.

Tobacco products may be used in outdoor areas designated by site management and at least 8 feet from any entrance to a building. Smokeless products may also be used in an employee's personal workspace as long as that space is not shared with or viewable by others. Tobacco use of any form is not allowed in

lunchrooms, conference rooms, restrooms, training rooms, parking lots, or any other area of public congregation.

All tobacco waste must be disposed of properly. Littering the property with the remains of tobacco products including packaging, butts, and tobacco expectorant is prohibited.

An employee may choose to use tobacco products within designated tobacco use areas on their own time before or after beginning a shift, or during any break. However, starting late, early start of a break, or tardy return to a shift after break will not be tolerated. Any tardiness or other departure from shift and break schedules incurred as a result of using tobacco products will be deemed a violation of this policy.

The Company encourages employees to utilize the benefits and resources available through Company-sponsored programs and health care insurance to gain the assistance needed to quit tobacco use. Participation in any tobacco cessation program does not excuse non-compliance with this policy and will not mitigate any corrective action the Company takes in response to any violation of this policy.

All employees are authorized to communicate this policy with courtesy and diplomacy especially with regards to visitors. Location managers are responsible for investigating all complaints of policy violations and for taking appropriate action to ensure compliance. Violators of this policy are subject to corrective action, up to and including termination.

## 11.6 Light-Duty Assignments

The Company does not have permanent light-duty positions. However, in the event an employee is able to return to work following an injury, disability, or other medical leave of absence before they are otherwise able to perform the essential functions of the employee's regular position, or the employee has limitations due to pregnancy, the Company may offer a temporary light-duty assignment. By definition, such assignments are temporary in nature and are not intended to create a permanent position. Accordingly, employees may only perform such temporary assignments for the lesser of the following periods:

1. the employee's ability to return to their regular position (with or without reasonable accommodation);
2. the time necessary to complete the temporary assignment; or
3. three (3) months.

If an employee is unable to return to their regular position after three (3) months, such employee may request to be placed in any vacant position for which he or she is qualified, with or without reasonable accommodation, consistent with any restrictions imposed by the employee's doctor. If no such position is available, the employee will be returned to or placed on any qualified and available leave of absence or will be separated from the Company. The nature and availability of temporary work assignments will generally fluctuate and will be determined based on the needs and discretion of the Company. Employees will be assigned any available temporary work on a first-come, first-served basis.

## 11.7 Workplace Violence

The Company is committed to providing a safe workplace for its employees and others on Company premises. This policy defines unacceptable behaviors and reporting procedures. However, nothing in this policy is intended to prevent quick action to stop or reduce the risk of harm to anyone, including

requesting immediate assistance from law enforcement or emergency response resources. When confronted with an imminent threat of workplace violence, police authorities should be notified immediately by calling 911.

The term “workplace violence” includes physical acts of violence and any conduct that is offensive or intimidating enough to result in another individual becoming reasonably fearful or apprehensive about their safety or the safety of their family or property. This could include physical intimidation, violence, and threats of violence against employees, customers, vendors, contractors, visitors, third parties, or any other person engaged in business with or on behalf of the Company on or off of Company premises. Workplace violence can also include stalking (including physical, email, text telephone or any other form of communication), possession of a firearm or other weapons in the workplace, threats about, or intentional damage to, the property of employees, customers, contractors, vendors, visitors, third parties, or any other person engaged in business with or on behalf of the Company. Physical intimidation, violence, and threats of violence that occur away from the workplace, but which affect an individual’s ability to work or provide services to the Company, may be considered workplace violence under this policy.

The Company prohibits any acts or threats of workplace violence, whether expressed or implied, by or against any employee or person providing services to the Company or located on Company premises. Any conduct that creates an intimidating or threatening working environment will not be tolerated. If a violation of this policy is committed by an employee, the Company will take appropriate corrective action, up to and including termination. The Company will promptly and thoroughly investigate all reports of actual or threatened violence as well as suspicious individuals or activities. The Company may suspend employees, either with or without pay, pending investigation. As a part of its investigation, the Company may consult with law enforcement authorities or other resources, as it deems appropriate, and may require professional assessments to determine whether an individual presents a threat to himself/herself or others in the workplace.

The Company strictly prohibits employees or any person providing services to the Company or located on Company premises from possessing weapons of any kind at the workplace. The prohibition explicitly includes, but not limited to, firearms of any type, including those for which the holder has a legal permit, knives, mace and bows and arrows. The workplace includes any property owned, leased or occupied by Company employees or persons providing services to the Company. This specifically includes Company parking areas except where otherwise allowed by state or local law. **If possessing firearms in a locked vehicle in company parking areas is allowed by state law, the firearms must not be loaded, the firearms and ammunition must be kept in the employee’s trunk, glove compartment, or otherwise out of sight. Employees are prohibited from removing the firearms or ammunition from their vehicle or having them in plain sight during the workday or at any time on Company premises.**

The Company will conduct inspections to the extent the Company considers necessary to reduce the risk of workplace violence and to ensure compliance with Company policies including, but not limited to, the Company’s Alcohol and Drug-Free Workplace Policy. Company searches may be conducted without persons being present, without consent, and without notice. Inspections of an employee’s personal effects will be conducted in the presence of the employee when possible. Entry onto any Company property or facility, including parking areas, is deemed consent to an inspection that may include, but is not limited to, person, vehicle, packages, parcels, purses, handbags, briefcases, lunch boxes, and any other items carried or worn to and from Company premises.



Submission to Company inspections is a condition of employment. Employees who refuse to cooperate with Company inspections conducted pursuant to this policy shall not be forcibly inspected, but will be subject to corrective action up to and including termination. Other persons failing to cooperate with Company searches will not be permitted to enter Company premises.

Searches of Company premises and property may include, but are not limited to, offices, workspaces, cubicles, desks, lockers, toolboxes, files, computers (including stored documents, calendars, and electronic mail), lockers, vehicles owned or leased by the Company or its employees, cell phones, smart phones, and any other property owned or leased by the Company and provided for employee or non-employee use.

The Company may use any reasonable method available to conduct searches. Reasonable methods include, but are not limited to, metal detectors, x-ray machines, and trained animals. The searches may be conducted by authorized Company and/or non-Company personnel.

It is the responsibility of each and every employee to contribute to a safe working environment. Although workplace violence cannot always be predicted or prevented, employees can do their part to prevent workplace violence by reporting any threats or acts of workplace violence to their manager or other member of management, Human Resources, or the **Company's Ethics Hotline 1-888-THG-1930 or THG.IntegraReport.com.**

If an employee has obtained a protective order against any individual, the employee must notify their manager or other member of management, or Human Resources about the protective order if the employee believes that there is any potential danger to themselves, to other employees, or to persons on Company premises.

The Company will promptly respond to any incident, threat, or report of violence. Employees who engage in workplace violence may be subject to corrective action, up to and including termination. Contractors, suppliers, vendors and other third parties who engage in workplace violence will be removed and barred from Company premises.

## 11.8 Visitors in the Workplace

To provide for the safety and security of the employees and facilities, only scheduled employees and authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

Accordingly, all visitors, including off-duty employees, must utilize the sign in procedure for the location. Thereafter, they will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors. Because of safety and security reasons, family and friends of employees, including off-duty employees, are discouraged from visiting. In cases of emergency, employees will be called to meet any visitor.

If an unauthorized individual is observed on the Company's premises, employees should immediately notify their manager or any other member of management who will escort the individual to the office area or otherwise take appropriate measures.

Employees who violate or encourage or enable violation of this policy will be subject to corrective action, up to and including termination of employment.

## 11.9 Company Vehicle Use

This Heritage Construction + Materials (“HC+M”) Company Vehicle Policy (this “Policy”) is effective as of March 1, 2024 (“Effective Date”).

### 1. Policy Applicability

This Policy, as will be amended from time to time, applies on the Effective Date to all HC+M companies included in the four operating platforms commonly known as Asphalt Materials, Milestone Contractors, US Aggregates, and Evergreen Roadworks, and each of their respective subsidiaries and affiliates (each a “Company” and collectively and together with HC+M, “Companies”). This Policy must be followed for use by anyone using Company-owned vehicles, Company-provided vehicles (i.e., pool vehicles), Company-leased vehicles, and/or personal vehicles when used for business purposes. Any such vehicle is referred to herein as a “Vehicle” and collectively as “Vehicles”.

### 2. Required Driver Eligibility and Conduct

All operators of Company Vehicles shall at all times:

- a. Meet all motor vehicle report (MVR) requirements as outlined by the Companies.
- b. Be employed by an applicable Company, whether as an employee, a contractor, a temporary employee, and/or seasonal employee; provided, however, that individuals receiving compensation by a Company for using a personal Vehicle for Company business are permitted to allow a third party who is not employed by the Company to drive such Vehicle for personal use during non-Company time.
- c. Hold a validly issued and unexpired operator’s license.
- d. Drive Vehicles in a safe manner in accordance with applicable laws and regulations.
- e. Carry proof of insurance (either proof of Company-provided insurance or proof of insurance with respect to personal Vehicles, as applicable) in all Vehicles.
- f. Wear safety belts and ensure that all passengers are wearing safety belts.
- g. Operate Vehicles in accordance with their intended use (i.e., no person shall ride in the bed of a pickup truck at any time for any reason, etc.).
- h. Use personal funds to pay any parking or traffic tickets received while operating a Vehicle.
- i. Keep Vehicles clean and presentable, inside and out, and maintained in accordance with applicable Company policies.
- j. Keep Vehicles free of obscene, unprofessional and/or offensive insignia, decorative or vanity plates, stickers, magnets, or other décor that would violate our Companies’ values as set forth in the Heritage Group Code of Business and Ethics.

Failure of any operator of a Company Vehicle to comply with the foregoing shall result in disciplinary action, up to and including immediate termination.

### 3. Prohibited Conduct

Each person operating a Company Vehicle is prohibited from engaging in the following conduct:

- a. Knowingly and/or intentionally operating a Company Vehicle with a suspended or revoked operator’s license.
- b. Operating a Company Vehicle while under the influence of drugs and/or alcohol, in excess of the legal limit as determined by state law.
- c. Operating a Company Vehicle after having been cited for operating any Company Vehicle or any other vehicle while under the influence of drugs and/or alcohol.

- d. Carrying firearms and/or other weapons in any Company Vehicle.
- e. Using radar detectors and similar technology in any Company Vehicle.
- f. Bypassing safety devices of any Company Vehicle.
- g. Sending or reading text messages or e-mails; dialing cellular phones; viewing television, pictures, videos, or other media; and inputting data into laptop computers, personal digital assistants, or navigation systems.
- h. Using a Company-owned or leased Vehicle for activities other than Company-related activities and reasonable personal errands. For example, Vehicles should not be used to: (i) supplement income (i.e., drive for Uber/Lyft/DoorDash, haul materials or perform other activities for third parties, etc.), (ii) purchase or distribute drugs or engage in any other kinds of trafficking, and/or (iii) pick up hitchhikers.

Any operator of a Company Vehicle found to have engaged in the foregoing conduct is subject to disciplinary action, up to and including immediate termination from the Companies. Any person using a personal vehicle for Company business is subject to the enforcement of Section 3 while using such vehicle to perform Company business or while carrying other employees in their personal vehicle. For the safety of every person, employees who observe anyone engaging in the foregoing conduct (for example, 3.b. above) are encouraged to intervene and/or report the conduct to a manager, HR, or legal counsel.

#### 4. **Accident Involving Company Vehicle**

In the event of an accident, the operator of a Company Vehicle must:

- a. Call 9-1-1 for assistance. For accidents that do not require emergency services, call the non-emergency line for assistance in accident reporting. For single vehicle accidents with minor damage and no medical attention needed, police intervention for accident reporting is not required.
- b. Assess themselves and other occupants of the Vehicle and seek medical attention as needed.
- c. Collect insurance information of all parties involved and take photos of damage and scene of accident from all vantage points.
- d. Report accident to management immediately, and not more than 24 hours after accident.

#### 5. **Theft Of Vehicle**

If an individual becomes the victim of the theft of a Vehicle, the operator must call 9-1-1 immediately to report the theft and collect a copy of any applicable law enforcement report. The operator must report theft to management as soon as possible and not more than 24 hours after theft. The Company assumes no responsibility for the loss of personal belongings kept in a Vehicle.

#### 6. **HC+M Rights**

Using a Company Vehicle is a privilege, not an entitlement. HC+M and its officers and managers reserve the rights below, and may exercise them at any time in their full discretion:

- a. Company Vehicles shall be assigned in accordance with guidelines established by each Company's leadership team. Company Vehicles may be assigned, re-assigned, and withdrawn by any Company in its discretion.
- b. Individuals operating Company Vehicles are subject to regular checks of their driving records.

- c. The Companies have the right to search or inspect any Company Vehicle at any time in order to determine compliance with this Policy. As such, there is no expectation of privacy with respect to Company Vehicles.
- d. The Companies will deduct any penalties or fines associated with a Vehicle's license plate from the payroll check of the operator of such Vehicle.
- e. The Companies shall terminate an operator's use of Vehicles immediately upon separation from the Companies for any reason.

#### **7. Return Of Company Vehicles**

If Company Vehicle lease agreements or applicable Company policies allow, employees may use their own money to alter a Company Vehicle with after-market parts or enhancements (i.e. lift kits, towing hitch, exhausts, or under car lighting). Employees are obligated to return Company Vehicles in good condition, ordinary wear and tear excepted. In the event employees added any of the above-described enhancements, employees must remove such items unless such removal will negatively impact a Vehicle's trade-in or other useful value, in which case employees forfeit the enhancements and are not entitled to reimbursements for the same.

### **11.10 Alcohol and Drug Free Workplace**

#### **Policy Statement**

The Company recognizes the importance of maintaining a workplace that is safe for all employees and one that is alcohol and drug free. It also recognizes the need to protect individuals who might endanger themselves through the abuse of alcohol or controlled substances. In order to mitigate the risks resulting from being under the influence of alcohol or drugs, the Company will enforce uniform testing to determine the ability to work and to inform disciplinary action as described in this policy.

The Company does not allow the possession, consumption, or sale of illegal controlled substances during working hours or on Company property. The consumption of alcohol is likewise prohibited with the exception of social events sanctioned by the Company. Any possession, consumption, or sale of controlled substances or alcohol on Company property is forbidden and will result in corrective action, up to and including termination.

The Company reserves the right to search all Company property, including, but not limited to, employee desks and lockers, company cars, toolboxes, etc. to prevent violations of this policy or for any other legitimate reasons. Entry onto Company property constitutes consent to and recognition of the right of the Company to search the person, vehicle, and other personal property of individuals while on Company property. Such searches may be initiated by the Company without prior announcement and will be conducted at such times and locations as deemed appropriate. Persons who refuse to cooperate with a search will not be allowed to remain on company property and will be subject to disciplinary action up to and including termination.

#### **Procedure**

Detailed information regarding the testing circumstances, treatment of test results, and testing procedures can be found on the Total Rewards Portal (<https://myheritagegroup.com/thg/policies/ami-operations>).

## Chapter 12: Internal Reporting Procedures

### 12.1 Employee Suggestions

The Company welcomes employee ideas and suggestions, no matter how insignificant they may seem. Sometimes the most unusual or even the simplest suggestions are excellent cost-saving or profit-producing ideas. Anything that will help to do the job better or more productively, improve working conditions, provide better public relations, eliminate unnecessary expenses, or increase Company earnings will receive thorough consideration. Employees should give any suggestions they may have to their manager or to Human Resources. Although not all ideas can be adopted, every effort will be made to adopt and utilize any practical suggestion.

### 12.2 Ethics Hotline

The Company is concerned with any situation affecting the employment relationship. The Company is committed to correcting any condition or situation that may cause unfairness or misunderstanding.

If an employee has a problem, complaint, or concerns or suspect policy/compliance violations the employee should discuss it with their immediate manager, another member of management or Human Resources.

Employees are expected to promptly report any concerns or suspected policy violations promptly. If an employee wishes to remain anonymous or has unique issues that are not otherwise addressed by the Company's policies, an employee may report it through the Ethics Hotline. Failure to promptly provide notification of suspected violations may result in disciplinary action. Employees can discuss their concerns or suspected violations without fear of any form of retaliation.

When an employee reports a suspected violation or concern through the established procedures:

- (1) Employees will be treated with respect.
- (2) Employees' concerns will be taken seriously. If an employee's concerns are not resolved at the time of their report, they will be informed of the outcome if the employee provides their contact information or retains their PIN number through the IntegraReport online reporting platform (if applicable).
- (3) Employees will not be required to identify themselves. However, specific information regarding the concern allows the Company to more swiftly respond to issues raised.
- (4) Employee communications will be protected to the greatest extent possible.

Ethics Hotline: 1-888-THG-1930

Online: [THG.IntegraReport.com](https://THG.IntegraReport.com)

## 12.3 Cooperation with Investigations

If situations arise that require an investigation, the Company requires an employee's full cooperation in the investigation. Situations such as, but not limited to suspected theft, dishonesty, destruction of property, or alcohol or drug use. All employees are to cooperate in such an investigation (excluding issues arising under the National Labor Relations Act) and are expected, as a condition of employment, to fully do so. This may include submitting to searches of an employee's personal property. This policy is for the protection of all employees.

## Acknowledgment of Receipt

This is to certify that I have read this Employee Handbook and am familiar with its contents. I understand that this Handbook is not a binding contract but a set of guidelines for the implementation of Company policies. I understand that the Company may modify any of the provisions of this Handbook at any time, with or without notice, and may deviate from any provision of this Handbook in its sole discretion. I also understand that, notwithstanding any of the provisions of this Handbook, I am employed on an at-will basis, meaning that my employment may be terminated at any time, either by me or by the Company, with or without cause. I acknowledge that I do not in any way rely upon the provisions of this Handbook in accepting or continuing my employment with the Company.

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Employee Signature

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Employee Name (Printed)

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Date