

WEBSTER INDUSTRIES, INC.

EMPLOYEE HANDBOOK

EFFECTIVE NOVEMBER 1, 2005
[Revision dates shown in (parentheses)]

This handbook has been prepared specifically for the employees of

WEBSTER INDUSTRIES, INC.

Please retain this handbook in a secure place, as revised pages will be issued periodically when conditions warrant. A date other than 11/01/05 following a section title signifies a revision to that section.

CONTENTS

	Page
WELCOME TO WEBSTER INDUSTRIES, INC.	1
AN OPENING COMMENT	2
SECTION I. INTRODUCTION	
1.1 History Of Webster Industries, Inc.	3
1.2 Our Employment Relationship	3
1.3 Our Customer Relations Philosophy.....	3
1.4 Our Quality Philosophy.....(01/01/10)	4
SECTION II. EMPLOYMENT POLICIES	
2.1 Compliance With Employment Laws	6
2.2 Equal Employment Opportunity.....(01/01/10)	6
2.3 Introductory Period For New Employees	6
2.4 Length Of Service.....	6
2.5 Employee Training And Evaluations	7
SECTION III. STANDARDS OF EMPLOYEE CONDUCT	
3.1 Standards Of Employee Conduct And Corrective Action	9
3.2 Hours Of Work	10
3.3 Lunch Periods	10
3.4 Timekeeping.....(04/01/08)	11
3.5 Attendance And Tardiness	13
3.6 No Solicitation Rule	15
3.7 Personal Property.....	15
3.8 Garnishments And Attachments	15
3.9 Conflict Of Interest And Outside Employment.....	15
3.10 Drug And Alcohol Policy	16
3.11 Sexual Harassment And Other Discriminatory Harassment.....(01/01/10)	19
3.12 Violence Policy	20
3.13 Nondisclosure Of Information	20
3.14 Use Of Company Computers And Information Systems	21
3.15 Personal Telephone Calls	21
3.16 Personal Appearance.....	22

SECTION IV. EMPLOYEE SAFETY AND SECURITY

4.1	Safety Program	(08/01/08)	25
4.2	Workplace Safety Rules	(04/01/08)	26
4.3	Reporting Accidents And Injuries.....		26
4.4	Blood Borne Pathogens.....		27
4.5	Smoking/ Policy.....	(12/06/06)	27
4.6	Security		27
4.7	Visitors		28
4.8	Driving Record		28
4.9	Employee Guide To Hazard Communication.....		29
4.10	LockOut/TagOut.....		31
4.11	Emergency Action Plan	(04/01/08)	33
4.12	Respirator Use	(02/01/07)	36

SECTION V. GENERAL PAYROLL POLICIES

5.1	Our Pay Policy		38
5.2	Paydays And Pay Periods		38
5.3	Pay Deductions		38
5.4	Direct Deposit.....		38
5.5	If You Find An Error In Your Pay		38
5.6	Overtime		38

SECTION VI. EMPLOYEE BENEFITS

6.1	Our Employee Benefit Programs		41
6.2	Holidays		41
6.3	Vacations		41
6.4	Sick/Personal Leave.....	(01/01/09)	43
6.5	Disability Pay.....	(01/01/09)	43
6.6	Health Insurance		44
6.7	Wellness Program – Routine Preventive Care – Deductible Waived		45
6.8	Prescription Drug Plan		45
6.9	Continuing Health Insurance Coverage (COBRA)		45
6.10	Flexible Spending.....	(02/01/07)	45
6.11	Life Insurance.....		46
6.12	Adjustable Life Insurance		46
6.13	Retirement Plans.....	(01/01/09)	46
6.14	Continuing Education		46
6.15	Social Security		47
6.16	State Unemployment Insurance		47
6.17	Workers' Compensation		47
6.18	Privacy Policy.....	(04/10/06)	47

SECTION VII. LEAVES OF ABSENCE POLICIES

7.1	General Policies Regarding Leaves	(01/01/10)	50
7.2	Funeral Leave	(04/01/08)	51
7.3	Jury Duty Leave		52
7.4	Military Service Leave		52
7.5	Family and Medical Leaves of Absence	(04/01/08)	52

SECTION VIII. EMPLOYEE/COMPANY COMMUNICATIONS

8.1	Open-Door Policy	57
8.2	Employees' Suggestions	57
8.3	Bulletin Boards	57
8.4	Your Personnel Record	57
8.5	Company Information Systems.....	57
8.6	Notification Of Plant Closing	57
8.7	Employee Resignation	57

SECTION IX. MISCELLANEOUS POLICIES

9.1	Physical Examinations	58
9.2	Reduction In Force	58

SECTION X. SUMMARY

10.1	Summary.....	58
------	--------------	----

ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK	60
---	-----------

APPENDIX 1 – EVACUATION ROUTES AND MEETING SITES

APPENDIX 2 – FIRE ALARM ZONES

APPENDIX 3 – EMERGENCY SHELTER LOCATIONS

WELCOME TO WEBSTER INDUSTRIES, INC.

Webster Industries, Inc. was started in 1876 by Towner K. Webster in Chicago as a manufacturer of “Common Sense” Elevator Buckets. Today we operate facilities in Tiffin, Ohio; Meridian, Mississippi; and Tualatin, Oregon. We manufacture engineered class conveying chains, vibrating conveyors and malleable iron castings.

Webster Industries, Inc. is an ESOP company, which means the majority of the company is owned by the salaried employees.

At Webster we have three fundamental philosophies:

1. Make sure the customer/market is our number one decision criteria.
2. Treat customers, suppliers and fellow employees the way we would like to be treated.
3. Communicate and cooperate with fellow employees while maintaining a positive attitude.

These philosophies are easy to state, but practicing them is the key to our success at Webster.

This handbook has been written to assist you in understanding company policies, procedures and benefits you will receive as a Webster employee. Please read this handbook carefully; it is your personal copy. Should you have any questions regarding it, please discuss them with our Human Resources Department. From time to time Webster will make changes in the policies set forth in this handbook as our environment changes.

Welcome to Webster Industries, Inc. I am pleased that you have chosen to join this company. I look forward to your playing an important role in our continuing success.

Fredric C. Spurck
President & CEO

AN OPENING COMMENT

This handbook is designed to acquaint you with Webster Industries, Inc. and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You should read, understand and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by Webster Industries, Inc. to benefit its employees.

This employee handbook is not a contract of employment and none of the provisions are to be construed as a contract or a guarantee concerning terms and conditions of employment. Webster Industries, Inc. retains sole and absolute discretion with respect to decisions affecting employment and terminations. Generally, the Company intends to exercise that discretion in a manner consistent with its management philosophy of mutual respect, understanding, and cooperation.

No employee handbook can anticipate every circumstance or question about Company policies. As Webster Industries, Inc. continues to grow, the need may arise and the Company reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time as it deems appropriate, at its discretion. Employees will be notified of such changes to the handbook as they occur. Handbook provisions can only be changed through written notification from the Company.

SECTION I. INTRODUCTION

1.1 History Of Webster Industries, Inc.

The history of Webster Industries, Inc. spans well over a century from its founding in 1876 in Chicago by Towner K. Webster who began manufacturing material handling products. These products included the "Common Sense" Elevator Buckets for use in the grain elevators that were springing up all across the Midwest. By the start of the 20th Century, Webster had already gained worldwide recognition as a product specialist in grain handling and power transmission applications and continued to grow into most bulk commodities and raw material handling products. This success led Webster to seek a larger manufacturing facility. After launching an intense survey into possible locations, Webster settled in Tiffin, Ohio, in 1907.

The bulk of Webster's business headed in a new direction in the 1980's when management saw the need to consolidate Webster's products and concentrate on making industrial chain. Today Webster offers a variety of standard chains from inventory as well as special made-to-order products. We maintain over 150,000 feet of completed chain in inventory to better serve our customers.

In addition to our chain product lines, Webster's still-in-operation foundry produces castings for our standard chain products, including some of the cast links, and castings for many customers. Webster, for instance, is the starting point for components in some of America's best-known hand tools. In the foundry, furnaces glow red as scrap iron is put into a big pot where it's melted down and poured twice a day.

Here at Webster, we boast much diversification. We have a foundry, machine shop, sheet metal department, punch press department and a heat treat department. Alongside with Webster's cutting edge approach to global competition, all of those different departments work together to make a number of products.

Today Webster is an "ESOP" - employee owned company - and has been since 1986. There has been up to three generations working here at the same time. Corporate headquarters remain in Tiffin with additional manufacturing facilities located in Meridian, Mississippi and Tualatin, Oregon.

Webster is not just your average chain manufacturer, but also one who improves its products continuously.

1.2 Our Employment Relationship

Employment with Webster Industries, Inc. is not offered, contracted or promised for any specific length of time. Each employee is free to resign at will, at any time and for any reason. Similarly, with the exception of union employees, the Company may terminate the employment relationship at will, at any time and for any reason.

1.3 Our Customer Relations Philosophy

We have developed a reputation as an ethical, honest company, and our customers respect our employees for the professional manner in which they conduct themselves. Each of our positions in this Company provides a service and we all have customers who depend upon us. We share a commitment to serving the needs of our customers and we do it with enthusiasm. We recognize that our customers are not interruptions to our work; rather they are the purpose for it. We are not doing them a favor by serving them; they are doing us a favor by giving us an opportunity to serve them.

- We can never win a discussion by arguing with a customer; we can only try to reason with them and discuss the issue in a professional and courteous manner.
- We understand that our customers need prompt answers to their written and verbal inquiries. When they hear our voice, our voice conveys concern for their problem and that we want to provide an answer for them as soon as possible. If we can't look after their specific inquiry or concern, we refer them to someone who can help them.
- Our service cannot be graded by ourselves; it is the customers' expectations and desires as well as our ability to achieve them that grade our service.
- Most of all, we realize that our customers can detect our mood by the manner in which we communicate. We always try to respond in a friendly, courteous manner.
- Our employees work well together and this is reflected in the performance of their jobs and their attitude towards their fellow employees, their customers and the management.
- At Webster Industries, Inc. our people make the difference.

1.4 Our Quality Philosophy

At Webster every employee is a member of the quality team and is responsible for the quality of our products. We strive to provide superior value for our customers. To this end our Quality System was registered to the ISO 9001 standard in 1998. We continue to make improvements to our Quality System and upgrade our registration as the standards are upgraded. Webster's commitment to quality is visible in our Quality Statement, written procedures and work instructions and is reviewed by management on a regular basis. Improvements to our Quality System are ongoing and every employee is encouraged to submit their suggestions for improvement.

Webster's Quality Statement

WEBSTER INDUSTRIES, INC. WILL PROVIDE SUPERIOR VALUE TO ITS CUSTOMERS THROUGH QUALITY PRODUCTS, CONTINUOUS IMPROVEMENT, COMPETITIVE PRICING, AND CUSTOMER SERVICE.

(Page intentionally left blank.)

SECTION II. EMPLOYMENT POLICIES

2.1 Compliance With Employment Laws

It is the policy of Webster Industries, Inc. to abide by all federal, state, and local laws, rules and regulations applicable to us and to have all our employees do the same.

Any violation or perceived violation of law should be reported to a Company officer, who will make every effort to investigate and address the problem promptly.

2.2 Equal Employment Opportunity

The Company's policy is to hire and promote individuals who best meet the requirements of available positions and who have the best potential for advancement. It is our policy to provide Equal Employment Opportunity in full compliance with all applicable laws including Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Equal Pay Act, The Genetic Information Nondiscrimination Act of 2008, and the state fair employment practices laws.

In keeping with this policy, decisions regarding applicants for employment, recruitment, hiring, training, transfer, promotion, pay, benefits, layoff, demotion or discharge will be made without respect to race, color, religion, sex, national origin, age, disability, veteran status or genetic information.

Persons who believe that they have not been afforded equal treatment in accordance with this policy may contact the President & CEO. All complaints of unequal treatment will be fully investigated and corrective action taken where required.

2.3 Introductory Period For New Employees

Salaried Employees

The first 30 calendar days of a salaried employee's employment is considered an introductory period. The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. The Company uses this period to evaluate employee capabilities, work habits and overall performance. An employee's employment status remains at will both during and after this introductory period.

Union Employees

The probationary period for union employees is dictated by the applicable Union Agreement.

2.4 Length Of Service

For the purpose of establishing an employee's service record within the Company, an employee's length of service will accumulate from the date he or she was last hired and began work.

Our employment relationship may be broken by any of the following:

Involuntary termination.

Reduction in force (job elimination due to lack of work or reorganization).

Voluntarily leaving the service of the Company.

Overstaying a leave of absence without the consent of the Company and/or failure to return to work upon release by a health care provider.

Absence from work without notifying and receiving approval from the Company.

Or any other reason specifically identified in a policy or procedure or Union Agreement.

2.5 Employee Training And Evaluations

Training will be provided to all employees. Your supervisor will notify you of any required training sessions. Training can be in one or more formats. Whether it is one-on-one training with your supervisor, group training, or on-the-job training, you are expected to attend and participate. You may be called upon to assist with another's training at some time. Your cooperation will be very much appreciated. When any training has been completed a record of the training will be added to an employee's file. Training records will be reviewed during each employee evaluation.

Evaluations will be conducted at a minimum of yearly. New union employees will be evaluated at regular intervals until they have reached the top pay rate for their classification. The evaluation process is a valuable tool in gauging the effectiveness of our training programs. Your cooperation and input during the evaluation process is very important to a successful employer/employee relationship.

(Page intentionally left blank.)

SECTION III. STANDARDS OF EMPLOYEE CONDUCT

3.1 Standards Of Employee Conduct And Corrective Action

The Company has established standards pertaining to employee conduct, performance, and responsibilities with the expectation that all employees will conduct themselves accordingly.

The purpose of these standards is not to restrict the rights of anyone, but rather to help people work together harmoniously according to the standards the Company has established for efficient and courteous service to our employees and customers.

There are times when disciplinary action has to be taken to insure that our business is operated in an orderly and efficient manner. The authority to discipline rests with the Shop Supervisors, the Manufacturing Operations Manager and the Human Resources Department. There are four (4) forms of disciplinary actions:

1. Documented (Written) Verbal Warning
2. Written Warning
3. Suspension
4. Discharge

In general, the first warning will be a Documented (Written) Verbal Warning and repeat offenses will progress to the next step of the warning procedure. However, due to the severity of the offense, some or all steps in the warning procedure may be eliminated.

It is impossible to list all violations of Company policy or improper conduct; however, the following list sets forth examples of violations which will result in disciplinary action up to and including termination of employment. In each case, the appropriate disciplinary actions will be determined by any one or more of the following: seriousness of the offense, employee's overall employment record and/or previous disciplinary actions.

- Not being ready to begin work at the start of the workday; not being ready to resume work immediately following the end of any lunch or break periods; leaving before the end of the workday without supervisory permission.
- Loafing or sleeping on the job.
- Excessive absenteeism or tardiness.
- Absence from work for two (2) consecutive working days without notifying the Company or absence without an excuse acceptable to the Company, including unauthorized failure to return to work upon the expiration of an approved leave of absence.
- Inefficiency or poor work performance.
- Willful disregard for quality and related inspection requirements.
- Providing false information on any employment application, personnel record or document, including absence, sickness or production-related records or altering Company records or documents without Company authorization.
- Dishonesty, cheating, theft or misappropriation of property or money of the Company, customer, or of any employee.
- Negligent or willful acts that result, or could result, in damage to Company property or equipment, or cause injury to self or other employees.
- Failure to comply with all stated Workplace Safety Rules.
- Insubordination (refusal to follow any order given by an employee's Supervisor or management, or the refusal or failure to perform work assigned).
- Fighting or any other disorderly conduct; threatening, intimidating or interfering with other employees; distracting other employees by unnecessary shouting or demonstrations; using obscene or abusive language to other employees, supervisors, management or customers.
- Possession, use, or being under the influence of alcohol or illegal substance on Company property.

- Conviction of a felony committed on or off Company property or immoral or indecent conduct reflecting adversely on the Company.
- Possessing weapons, ammunition, explosives, or firearms while on Company property. This also applies to licensed weapons under Ohio's Concealed Carry Law.
- Knowingly altering the time sheet or time card of another employee; having one's time sheet or time card documented by another employee; any unauthorized altering of a time sheet or time card.
- Making or assisting another person in making a video or audio recording of any conversation between employees, management or officers of the Company, without first obtaining the express written consent of all parties to the conversation. This prohibition applies whether or not the individual making the recording is part of the conversation.
- Not permitting the Company to make an inspection of an employee's work area, garments, handbag, shopping bag, locker, automobile, etc., on Company premises.
- Failing or refusing to cooperate fully with the Company's investigation of suspected business improprieties, poor quality of work, and misconduct.
- Providing false or misleading information in response to an investigation being conducted by the Company.
- Failing to accurately complete or to sign any Company notice, form, record or other document.
- Using the Company's equipment for personal use without management's authorization.
- Posting unauthorized materials. Prior approval from the Human Resources Department is required for all postings.
- Accepting other employment while on a leave of absence.

The standards outlined in this policy apply to employees whenever the employee is representing the Company, on or off Company property.

3.2 Hours Of Work

The regular workweek for employees generally consists of 40 hours, Monday through Friday. Changes in the shift hours or schedules will be posted in advance when possible.

Your regular hours are determined by your Supervisor. At times, your hours may be changed to fit the needs of our customers.

The nature of our business dictates that both the workday and workweek be lengthened from time to time. Employees will be notified as far in advance as possible where a shift or workweek is being lengthened for any extended period of time.

3.3 Lunch Periods

Generally employees are given an unpaid lunch period as scheduled by their Supervisor. No employee is permitted to work through his or her lunch period without prior approval from his or her Supervisor.

3.4 Timekeeping

Union and nonexempt salaried employees must record all hours worked and sign if necessary. All employees should check their time cards to make sure the time is properly recorded on it. Employees may not falsify their or any other employee's time card, or tamper with the time clock, or assist or participate with another employee in any of the foregoing actions. You must punch your own time card. Punching a time card other than your own may be cause for immediate termination. Your supervisor will instruct you as to how your time is to be recorded.

Following are instructions for union employees for filling out their time cards:

1.1									
DATE	NAME		CLOCK NO						
	HOURS	RATE	PART NO/WORK DESCRIPTION	ORDER NO		OPER	ACCOUNT NO	PIECES	B.C.
1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9		
START HERE	TOTAL HOURS		APPROVED BY	ABSENT CODE	SCHED HRS				
↑	1.10	1.11	1.13	1.14	1.12				

- 1.1 Preprinted Areas
If an employee requires more than one card, fill in all of these areas.
- 1.2 Clock Punches
 - Clock in only 10 minutes before shift begins and before lunch is over.
 - Start at the bottom and work up. Employee must punch in and out at lunch, and only one punch is required between jobs.
 - Any employee requiring a second card for the day must punch in on the first line of the second card. Do not use last line on the first card (if second card is used).
- 1.3 Elapsed Time
Fill in only if clock punches are not available and approved by the Supervisor.
- 1.4 Piecework Rate
Use rate on routing or rate approved by Supervisor, rate per c/pieces, standard hours.
- 1.5 Part Number or Work Description
Note any bonus here, such as shifting, or group leader not in the base rate.
*All employees, excluding Tow Motor Drivers and Stock Keepers, must itemize all indirect labor by line number (with a brief explanation of what the indirect labor consisted of) on the back of the time card. *All employees: When indirect work (downtime) is necessary, the group leader, supervisor, manger or other supervisor designated employee must approve the time card at the Part Description portion of the time card at the start and must initial. If no approval the indirect time will be investigated by the supervisor and may not be recognized.
- 1.6 Order Number
"M" or "W" + numbers, reclamation, appropriation, rework
- 1.7 Operation Number
Use operation number from routing or machine number, if listed.

- 1.8 Department and Account Number
This is required on all jobs.
- 1.9 Pieces Produced
Always use the unit of measure that is on the Work Sliver. (*Note:* Never record half pieces.)
- 1.10 Total Hours
The employee fills in the total hours.
- 1.11 Approval
The Supervisor's approval is required on each day's cards.
- 1.12 Night Workers
Must have 2nd or 3rd and must note any extra special rates.
- 1.13 Absent Code
This is filled in by Supervisor or Human Resources Department.
- 1.14 Scheduled Hours
There must be scheduled hours, except for vacation, quit, not scheduled, or well plan days. This is filled in by the Supervisor.
- 1.15 One Day at a Time Vacation
- This must be signed by employee and Supervisor with code listed on card and punched anytime before the end of the employee's previous day's shift.
 - If employee is taking vacation on Monday, punch a blank time card on Friday.

Nonexempt salaried employees must record all hours worked as well as any sick/personal time or vacation time used on the time sheet provided. Each time sheet is to be completed and turned in to your Supervisor for approval no later than two (2) days after the end of the pay period. Pay periods are the 1st through the 15th of the month and the 16th through the end of the month.

3.5 Attendance And Tardiness

Webster strives to offer our customers the shortest lead times and lowest cost in our industry. To achieve these goals it is important that all of our employees be at work each scheduled workday and report promptly as scheduled. Lost time can contribute to increased costs, missed deliveries and places an undue burden on fellow employees. We recognize that our employees get sick from time to time, however, habitual absenteeism and/or tardiness will result in termination of employment.

Following is Webster's attendance policy for union employees.

Absence will be recorded as follows:

1. Excused Absence - No Points will be Assigned

Death in Family - As Defined in our Union Agreement
Family Medical Leave - As permitted by the FMLA - Written Documentation Required
Holidays
Industrial Injury
Jury Duty
Military Duty - Legally Required
Union Business - Authorized
Vacation Days - ** Scheduled in Advance
Personal Days

**Vacation Days - Scheduled in advance and approved by your Supervisor means requesting vacation time off prior to the end of your previous shift.

2. Unexcused Absence - Absence not covered by the above provisions. This includes but is not limited to:

Dentist/Doctor Appointments
Family Illness
Leave of Absence
Personal Business
Personal Illness

3. Tardiness - Time lost due to being late at the beginning of your shift or after lunch or leaving before the end of your scheduled shift.

Employees will accumulate points for occurrences within a 12-month rolling period as follows:

- | | | |
|----|--|--|
| a. | Absence of One (1) Day | 1 Point Per Unexcused Day Missed |
| b. | Absence of Two (2) or More
Consecutive Days w/Doctor's Excuse | 1 Point |
| c. | Tardiness - Two (2) Hours or Less
(From Scheduled Start Time) | ½ Point |
| d. | Tardiness - Over Two (2) Hours
(From Scheduled Start Time) | 1 Point |
| e. | Leave of Absence | 1 Point |
| f. | Failure to Call In Absence Within
Two (2) Hours of Scheduled Start Time | 1 Point Per Day For Failure To Call In
1 Point Per Unexcused Day Missed |

- **EACH DAY'S ABSENCE MUST BE CALLED IN TO WEBSTER.**
- **BEFORE 8 A.M. AND AFTER 5 P.M. CALL 419-447-8233. LEAVE YOUR NAME, CLOCK NUMBER, AND REASON FOR ABSENCE. THE MACHINE WILL NOTE THE TIME AND DATE OF YOUR MESSAGE.**
- **DURING BUSINESS HOURS CALL 419-447-8232 AND ASK FOR EXTENSION 317. IF THE MACHINE ANSWERS, LEAVE YOUR NAME, CLOCK NUMBER, AND REASON FOR ABSENCE. THE MACHINE WILL NOTE THE TIME AND DATE OF YOUR MESSAGE.**

Warning letters will be issued to employees who accumulate points within a rolling 12-month period as follows:

4 Points	1st Written Warning	w/Counseling by Human Resources Department
6 Points	2nd Written Warning	w/Counseling by Supervisor
8 Points	3rd Written Warning	w/Counseling by Vice President Manufacturing
9 Points	Discharge	

If an employee is due for a 4-point warning and does not receive the warning letter within two weeks of earning the point, the point will be dropped.

When a point (or fraction thereof) is earned, that point (or fraction thereof) may be removed by completing 120 consecutive calendar days without earning additional points.

A 2-point offense may be removed in a similar manner. One point will be removed following 120 consecutive calendar days without earning additional points. The second point will be removed following the completion of 240 consecutive calendar days without earning additional points.

Days that are not worked due to leave, suspension, layoff or termination will not be included in the 120 consecutive calendar days. Points will not be removed year to date for employees on leave, suspension, layoff or termination, until the employee has worked an amount of time equal to the time they were off work.

PLEASE NOTE: A separate file of attendance and points assigned will be maintained for all employees. The employee's Personnel File will not contain a record of points assigned - only a record of warnings issued.

Salaried employees are excused for the following days:

- Death in Family
- Family Medical Leave - As permitted by the FMLA - Written Documentation Required
- Holidays
- Industrial Injury
- Jury Duty
- Military Duty - Legally Required
- Vacation Days
- Personal Days

Excessive or habitual unexcused absences or tardiness are grounds for termination.

The Company recognizes that employees will, from time to time, be unable to work their scheduled shift for legitimate reasons. Unfortunately, some employees compile attendance records that clearly exceed normal legitimate absences. It is the Company's intention to apply fair and equitable attendance rules for all employees under the same set standards. Fortunately, most of our employees' attendance is such that the above guidelines will have no affect on their record.

Employees requiring an hour or two off for legitimate reasons, such as doctor/dentist/bank/attorney/etc. appointments, should speak to their Supervisor. At times your Supervisor can adjust your scheduled shift so that you can make these appointments without receiving points. Please remember that rescheduling of your shift is a privilege that is earned with a good work record, but is not guaranteed and will be considered on a case-by-case basis. As much as we would like to accommodate all of our employees, business conditions must be the first consideration when granting these exceptions. Employees should remember that vacation days (scheduled in advance) and personal/well days could be used for required time off.

EMERGENCIES that require the employee's presence after reporting to work will be considered on a case-by-case basis by the Human Resources Department.

The Company keeps accurate attendance and tardiness records, which are reviewed regularly to determine the frequency of absence and tardiness. It is the employee's responsibility to understand all aspects of this attendance policy.

3.6 No Solicitation Rule

Distribution or acceptance of literature is prohibited while an employee is on working time, and is also prohibited in any working area whether an employee is on working or nonworking time. This rule includes distribution or acceptance of literature for political organizations, labor organizations, and/or fraternal organizations. Solicitation or distribution of literature by any person who is not an employee of the Company is also prohibited.

3.7 Personal Property

Desks, lockers and filing cabinets are provided for the convenience of the Company and the Company retains full use and control of the premises and its furnishings at all times. The Company may search any Company property under the control of the employee, as well as the employee's personal effects or vehicle on Company property. The Company is not responsible for the loss or damage of employee property.

3.8 Garnishments And Attachments

The failure to pay debts can result in court action against the Company, forcing the Company to withhold a portion of the employee's wages in payment of the debt. This involves the Company in unjustified expense and annoyance. You should be aware that the law permits a company to discharge an employee who incurs more than one garnishment in any twelve (12) month period, where the garnishments involve different debts, and where the garnishments are not for the purpose of enforcing child support obligations.

3.9 Conflict Of Interest And Outside Employment

Webster Industries, Inc. respects your right to engage in personal activities and business outside your employment with us, provided such activities do not conflict with the interests of the Company.

The Company may require that you be entirely free at all times from engaging in activities that might injure the reputation of the Company or create a conflict of interest. Further, you cannot maintain, directly or indirectly, any outside business or financial interest, or engage in any activity which may conflict with your job performance. If you have any doubts, be sure to consult with your Supervisor to avoid misunderstandings in this area. Please keep your Supervisor informed of any secondary employment.

3.10 Drug And Alcohol Policy

Purpose

In keeping with Webster Industries, Inc.'s commitment to maintaining a productive, safe, and healthy work environment free of illegal drugs or substances, or alcohol use, the company has promulgated the following "Drug and Alcohol Policy."

1. Employees are Webster's most valuable resources, and for that reason we all have an interest in workplace safety and job performance. Considering the widespread existence of substance abuse in our society, it is necessary to emphasize Webster's commitment to fostering a safe and healthy work environment.
2. It is also our intention to be in compliance with the Omnibus Drug Bill and The Drug-Free Workplace Act of 1988. These laws require Webster Industries, Inc., as a federal contractor, to certify that we will insure a drug-free workplace. Failure to comply with this requirement could result in termination of any contracts we have with them.
3. The potential liability to Webster Industries, Inc. as a result of an accident caused by an employee with detectable amounts of alcohol/drugs in his or her system could be disastrous to the viability of the Company.
4. This section describes the current policy and practices of Webster Industries, Inc. and its subsidiaries and will be interpreted, administered and amended by Webster Industries, Inc., with its sole discretion. This policy covers all applicants (including rehires) and current employees (including temporary employees).

Responsibility

Any employee who is charged or convicted of violating any federal or state criminal drug law must notify the Human Resources Department within five (5) working days of such charge or conviction. For the purposes of this notice requirement, a conviction includes a finding of guilt, a no contest plea, or an imposition of sentence by a judicial body for any violation of a criminal state law involving the unlawful manufacture, distribution, sale, transfer, possession and/or use of drugs.

Employees taking prescribed drugs that may affect job performance should report this to their Supervisors and/or the Human Resources Department. Management may require a doctor's statement indicating the prescribed drug's impact on job performance, or may require the usage of sick leave or may modify job duties.

All employees are expected to cooperate in the enforcement of the Company's policy. Employees will be expected to consent to drug and alcohol testing/screening as requested by the Company. An employee's refusal to submit to testing in compliance with the "testing for cause" provision will result in the immediate unpaid suspension of the employee pending the conclusion of the Company's investigation of the circumstances prompting the decision to test. The Company will then make determination concerning appropriate discipline for the employee, up to and including discharge, based upon the evidence then available to the Company.

Employees should consider the negative inference that may be given by refusing the opportunity to take a test that could tend to disprove that they were under the influence of drugs, alcohol or any other substance.

Process

General

1. The unlawful manufacture, distribution, sale, transfer, possession and/or use of “illegal drugs” or “illegal substances” by Company employees while on “Company premises” and/or engaged in Company business will be in violation of this policy.
2. The consumption of alcoholic beverage and/or possession of alcohol in unsealed containers on “Company premises” is prohibited. An employee “under the influence of alcohol” while on “Company premises” and/or engaged in Company business will be in violation of the policy.
3. The consumption of alcohol at a Company sponsored activity or event is not prohibited if: (1) expressly permitted by management, and (2) the consumption of such alcohol is not excessive or inconsistent with safe and lawful conduct.
4. Any unacceptable test levels will be in violation of this policy.

Pre-Employment/Probationary Employee Substance Abuse Tests

1. Each applicant who is given favorable consideration for a position with Webster Industries, Inc., will be tested for the presence of drugs/alcohol. Testing will be accomplished via urine analysis.
2. Prior to collection of the urine sample, the applicant will be advised that the sample will be tested for the presence of drugs/alcohol. The Company will have the sample obtained, identified and tested by a competent laboratory.
3. If the test of the sample is positive for any drug/alcohol, the sample will be tested a second time by another reliable method that is specific for the substance detected.
4. The Company will notify the applicant of the result of any test that is positive for any substance included in the procedure. In the case of a positive result, the Company will provide the applicant with an opportunity to explain the presence of the identified substance prior to being denied employment or being immediately discharged.
5. Any applicant with a confirmed positive test result may be denied employment. However, Webster Industries, Inc. will not discriminate against applicants for employment because of past history of drug/alcohol abuse. Therefore, individuals who have failed a pre-employment test may initiate another inquiry for employment with the Company after a period of no less than six months, but must present themselves drug free.
6. An applicant who has refused to submit to pre-employment testing will not be employed.

Employee Testing: Testing For Cause

1. If an employee is seen possessing or consuming alcohol or illegal drugs while on duty, or if management has reason to believe that the employee is under the influence of illegal drugs or alcohol, the Company will require the employee to submit to an appropriate test for drugs and/or alcohol abuse. Reasonable cause includes, but is not limited to:
 - An employee is involved in a serious accident or incident in which safety precautions were violated, or his/her involvement in a series of accidents.
 - Presence of marijuana smoke, drug paraphernalia, or alcohol containers in an employee’s work area or area controlled or used exclusively by an employee.
 - Upon an employee’s Supervisor’s reasonable suspicion that the employee is intoxicated, using or under the influence of drugs or alcohol. Observable behavior which may provide such reasonable suspicion includes, but is not limited to:
 - Slurred or incoherent speech
 - Staggering gait (walk)
 - Dilated pupils (wide open)
 - Unusual behavior (such as exaggerated gestures, loud talk, etc.)
 - Low morale or constant complaints
 - Inconsistent quality of work (decreased productivity)
 - Many mistakes or unreliable actions
 - Mood swings
 - Appearance changes
 - Short or long term personality changes
 - Chronic absenteeism or tardiness
2. An employee who has been required to submit to drug or alcohol screening in compliance with this provision may be suspended, with pay, pending receipt of the test results. If the tests are negative, the employee will be immediately reinstated.
3. Any employee refusing to submit to said drug/alcohol testing in compliance with this provision will be terminated.

Employee Testing: Post Accident Testing

1. The Company will test each employee for drugs/alcohol following a job related accident which results in injury treated by a physician or hospital, significant damage to company property or the potential for significant harm to any other party, for the purpose of confirming or refuting drug or alcohol use as a possible cause.
2. An employee who has been required to submit to drug and/or alcohol testing in compliance with this provision may be suspended, with pay, pending receipt of the test result. If the tests are negative, the employee will be immediately reinstated.
3. Any employee refusing to submit to said drug/alcohol testing in compliance with this provision will be terminated.

Discipline and/or Discharge

1. Any violation of the company's Drug and Alcohol Policy, including a refusal to consent to laboratory testing, will subject an employee to discipline, including discharge for the first offense.
2. Under most circumstances, any employee who tests positive as a result of a drug/alcohol test will be provided the option of undergoing rehabilitation in lieu of discharge. An employee who agrees to accept such an option will be placed on a mandatory suspension, of at least one week, without pay and will understand that his/her continued employment depends upon successful and regular participation in the rehabilitation program. Under this option, the employee will be allowed to return to work as described below. Further, an employee who chooses the rehabilitation program must understand that a second violation of the policy will certainly lead to immediate discharge.
3. The rehabilitation option will not be provided to employees involved in the distribution or sale of illegal drugs or substances on Company premises, or to employees determined to have been in flagrant violation of this policy.
4. If an employee refuses to participate in a treatment program, or if he or she tests positive after participating in a program, he or she will be subject to immediate termination.
5. In the event the employee does not successfully complete a drug/alcohol rehabilitation program, the employee will be terminated from employment.
6. The employee may return to work only after the Company receives satisfactory, professional assurance that the employee's presence on the job does not present a hazard to safety or would not adversely impact the Company in any way. Retention will be contingent on the employee successfully passing random tests verifying abstinence from illegal drug use or alcohol abuse. The random testing will be conducted for a period of one (1) year.
7. Any second incident resulting in a confirmed positive drug and/or alcohol test will result in immediate termination.

Self Referral

Employees with personal drug, controlled substances, or alcohol problems should feel free to request assistance/information from the Human Resources Department. Information will be provided on a confidential basis, and employees can be referred to the appropriate treatment and counseling services. Employees who voluntarily request assistance, through the Human Resources Department, in dealing with abuse problems may do so without jeopardizing their continued employment with Webster Industries, Inc.

Visitor Restrictions

1. Webster Industries, Inc., strictly prohibits any visitor or contractor from being on Company property, premises or worksite while under the influence or in possession of alcohol, drugs or controlled substances.
2. Any contractor or visitor found in violation of the above stated policy will be removed from the premises and refused future access.

Definitions

- ALCOHOL refers to any beverage that may be legally sold and consumed that has an alcoholic content.
- ILLEGAL DRUG or ILLEGAL SUBSTANCE is defined as any drug or controlled substance that is not legally obtainable or is legally obtainable but has not been legally obtained or has been legally obtained but is not being used in the prescribed dosages for the prescribed purpose.
- A PRESCRIBED DRUG is any drug that has been legally obtained and is being used in the dosage prescribed by the practitioner or as recommended by the manufacturer and that is being used for the purpose for which it was prescribed or manufactured.
- UNDER THE INFLUENCE or IMPAIRED means that an employee is affected by a drug or alcohol or the combination of drugs and alcohol. The symptoms of influence and/or impairment are not confined to misconduct or misbehavior. They could include (but not be limited to) observable impairment of physical or mental ability such as slurred speech, difficulty in maintaining balance, or general disorientation. A determination of use, influence and/or impairment could be made by professional opinion, urine sample or other commonly used scientifically valid testing methods. An employee will be presumed to be under the influence and in violation of this policy whenever the presence of drugs in excess of detectable trace limits and/or alcohol content at or above .10 percent is detected.
- UNACCEPTABLE TEST LEVELS are reached and a person is considered to be in violation of this policy after having tested positive by the Company designated testing laboratory.

3.11 Sexual Harassment And Other Discriminatory Harassment

As a part of Webster Industries' affirmative action efforts and pursuant to guidelines on sex discrimination and other unlawful discrimination issued by the Equal Employment Opportunity Commission and the federal government, Webster adopts and endorses the following policy.

1. It is improper and against the policies of our Company for any employee, male or female, to sexually harass another employee by: (a) making unwelcome sexual advances or requests for sexual favors or other verbal or physical conduct of a sexual nature - if submission to such conduct is either expressed or implied as a term or condition of continued employment; (b) making submission to or rejection of such conduct the basis for employment decisions affecting the employee; (c) such conduct has the purpose or effect of unreasonably interfering with an employee's work performance, or creating an intimidating, hostile or offensive working environment.

Sexual harassment may be subtle or overt. Whatever form it takes - verbal, non-verbal or physical - sexual harassment can be insulting and demeaning to the recipient and cannot be tolerated in the workplace. Sexual harassment by any employee, supervisor, manager or nonemployee will not be tolerated. All employees are expected to comply with this policy. Appropriate disciplinary action will be taken against any employee who violates this policy.

2. Webster supports the right of all employees to work in an environment free of discriminatory harassment. Harassment on the basis of race, color, religion, age, gender, disability, national origin,, veteran status or genetic information is strictly prohibited and will not be tolerated in the workplace. Discriminatory harassment includes any conduct such as intimidation, ridicule or insult that has the effect of: (a) unreasonably interfering with an individual's work performance; (b) creating an intimidating, hostile or offensive work environment; or (c) otherwise adversely affect an individual's employment opportunities.

Examples of discriminatory harassment include repeated verbal abuse, circulating written materials that belittle or show hostility or aversion toward an individual, or inappropriate jokes or slurs. Discriminatory harassment by any employee, supervisor, manager or nonemployee will not be tolerated in the workplace. All employees are expected to comply with this policy. Appropriate disciplinary action will be taken against any employee who violates this policy.

3. Any employee who believes he or she has been the subject of harassment should report the alleged act immediately to the Human Resources Department. Any supervisor who is aware of any type of sexual or discriminatory harassment taking place must report the alleged act to the Human Resources Department and/or to the following upper management:

Vice President Finance-Treasurer
Vice President Engineering
Vice President Sales
Vice President Manufacturing
President & CEO

This list is provided so that employees have a reporting procedure that enables them to bypass their harasser, if necessary. An investigation of all complaints will be undertaken immediately. Any supervisor, employee or agent of the Company who, after appropriate investigation by the Company, has been found to have harassed another employee will be subject to appropriate disciplinary action depending on the severity of the incident. Disciplinary action may include verbal or written reprimand, suspension or termination. The complainant will be informed of all such remedial actions.

The Company recognizes that the question of whether or not a particular action or incident is purely a personal, social relationship without discriminatory employment effect requires factual determination based on all facts in the matter. Given the nature of this type of discrimination, the Company recognizes also that false accusations of harassment can have a serious effect on innocent men and women. We trust that all employees of the Company will continue to act responsibly to establish a pleasant working environment free of harassment and/or discrimination. We understand these matters can be sensitive and we assure you we will treat all matters in a confidential manner. A confidential manner means within the bounds necessary to conduct an effective investigation, and that information will be divulged only on a need to know basis.

3.12 Violence Policy

Purpose

This policy has been established to provide a safe workplace free from aggressive, threatening or violent acts. Webster's policy is zero tolerance for violence in the workplace. For purposes of this policy, violence is defined as the deliberate and wrongful violation, damage or abuse of other persons, self or property and includes threats of violence. Acts of violence and threats thereof include but may not be limited to: verbal (such as threats, harassment, abuse and intimidation), non-verbal (such as gestures and intimidation), physical (such as hitting, pushing, shoving, kicking, touching and assault), and others (such as arson, sabotage, vandalism and stalking). Webster believes it is important that all threats be taken seriously.

Responsibility

All employees in all departments are expected to understand our policy to prevent and respond to violence in the workplace. Any acts or threats of violence are to be reported to your Supervisor or the Human Resources Department. When an act or threat of violence is reported it will be documented. A team consisting of the employee's Supervisor, the Human Resources Department and, if appropriate, a Union Committeeman will investigate and write up the incident. This documentation will be immediately referred to the employee's area Vice President for disposition. Acts or threats of violence are totally unacceptable and will result in appropriate discipline, which can include immediate discharge.

3.13 Nondisclosure Of Information

The protection of confidential business information and trade secrets is vital to the interests and the success of the Company. Such confidential information includes, but is not limited to, the following examples:

- Customer transactions
- Lists of actual or prospective customers
- Financial information
- Pending projects and proposals
- Research and development strategies
- Data processing and computer programs and operations
- Marketing and sales strategies
- Personnel information and data

Employees who are exposed to confidential information may be required to sign a nondisclosure agreement as a condition of employment. Employees who improperly use or disclose trade secrets or confidential business or personal information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

3.14 Use Of Company Computers And Information Systems

Use Of Company Equipment And Computers

Work Stations (WSs) and WS components are selected to facilitate compatibility of hardware and software within the Company.

Employees are not permitted to move, repair, install, attach or configure any hardware on Company WSs. This includes any component of a WS.

The Company purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, the Company does not have the right to reproduce such software for use on more than one computer. Therefore, employees may only use software on local area networks or on multiple machines according to the software license agreement. The Company prohibits the illegal duplication of software and its related documentation.

Employees are not permitted to install personal or unauthorized software for use on Company WSs. Downloading of any "freeware" or "shareware" applications or data from Internet sites is prohibited without the approval of Management of Information Systems Department (MIS). Any personal or unauthorized software found on any WS or file server for which the Company does not have a legitimate license will be removed.

Screensavers are no longer necessary with today's technology. Screensavers serve only to hamper the performance of your WS. Screensavers will be deactivated when troubleshooting WSs or during computer audits.

Passwords for computer access must be kept confidential. This is necessary for security reasons and auditing programs that track file modifications in our automated applications. Your Supervisor must authorize any need to share or release your password and only for such time as indicated. An example is vacation coverage.

Configuration of remote access instructions must be kept confidential. Specifications such as IP addresses, user names and passwords are not to be released to anyone outside of the Company without the permission of the MIS Manager.

Transmission Of Electronic Data And Internet Access

Display or transmission of sexually explicit images, messages or cartoons, or any transmission or use of information systems that contain ethnic slurs, racial epithets, or anything that may be construed as harassment or disparagement of others based upon their race, color, national origin, religion, sex, age, disability, or veteran status is strictly prohibited. Electronic mail and other information systems of the Company, including voice mail, are not to be used in a way that may be disruptive, offensive to others, or harmful to morale.

For privacy reasons, employees should not attempt to gain access to another employee's personal file of E-mail, voice mail or Internet transmissions without the latter's express permission. However, Company management reserves the right to enter an employee's E-mail, voice mail or Internet files or transmissions. All communications are property of the Company.

Any information or data obtained from Company data resources is under the ownership of the Company and not available for duplication, sale or distribution whether internally or remotely accessed. It is the property of the Company.

Internet and E-mail use are for business purposes. Employees will adopt the following practices:

1. Do not visit radio station or music sites to use for listening pleasure. These sites monopolize bandwidth, compromising Internet use for business purposes.
2. News sites are to be referenced as needed and not continuously left on-line. This compromises Internet use for business purposes.
3. Do not visit automated card sites, screensaver sites, photo sharing sites, joke sites, etc. The files on these sites have a higher risk of virus or Trojan infestations. These sites also are more prone to including spyware and applications that compromise the performance of your WS and the entire network.
4. Do not sign up for non-business related subscriptions or E-mail notices. These only serve to clutter your E-mail as the lists are distributed to spammers.
5. Do not transmit chain letters, jokes, or non-business Web links thru Company E-mail.

6. You may receive E-mails from xxx@websterchain.com where “xxx” is an official appearing entity. It may be in other variations of websterchain.com that look official or administrative. The sender may appear to be from Microsoft support. These E-mails may alert you to a perceived undesirable condition on your WS. They may instruct you to execute or open an attached file. Do not open or run these attachments. The attachment could be a virus itself. You may be instructed to change or remove a system file. The E-mail may be a hoax. If E-mails are utilized for communication from the Company MIS department, the sender will not be a “generic” account ID.
7. Caution is imperative in opening any attached file. Even when received from known users, inside or outside the Company, any attached file needs to be saved to disk to scan the file for potential viruses. Once verified it is virus free, the file can then be opened.
8. AntiVirus real-time protection and AntiSpyware are always activated. No user will deactivate these utilities.

As computers continually undergo change, additional practices will be communicated via E-mail or company bulletin board postings. Please read them.

3.15 Personal Telephone Calls

A very large percentage of the Company's business is transacted by telephone. The Company's telephone equipment is provided for the purpose of rendering service to customers; therefore, it is necessary for employees to limit their personal telephone calls to an absolute minimum. Personal calls should only be made or accepted in case of absolute necessity or emergency. Employees are not permitted to use or accept phone calls made to the Company-sponsored 800 phone number. This number is for business purposes and should not be given out to any individual.

Cellular phone use is prohibited during working hours for all employees. If you need to make a local call during breaks or lunch a phone is located in the main lunch room. If you need to receive an emergency message the caller should call 419-447-8232 and ask for the Human Resources Department. Emergency phone messages will be delivered. Employees working after 5:00 P.M. should make arrangements with their supervisor.

3.16 Personal Appearance

Employees are expected to dress in a manner befitting their jobs with due consideration to the needs of the Company, the perceptions of our customers, fellow employees, and safety.

Office Personnel The attire for all Webster offices is business casual. This means collared shirts and slacks for men and slacks, skirts, dresses and appropriate blouses or collared shirts for women. In the shop offices personnel who are required to be on the shop floor in the performance of their duties may choose to wear blue jeans. Blue jeans should be in good repair and free of holes, frayed cuffs, etc.

Attire that is always inappropriate is as follows:

Blue jeans; T-shirts with writing or logos; tank tops; thermal underwear; capris; shorts; flip-flops; leggings; jogging suits; workout attire; sweat suits; clothing with printed messages; tight or provocative clothing; bare midriffs; torn or distressed clothing.

Note: Friday “Dress Down Day” – Jeans are acceptable. Shirts with the Webster logo are required if wearing jeans. Jeans must be clean, not faded, and have no holes or frayed cuffs. Low-cut or hip-hugger jeans must be worn with a Webster shirt or blouse that covers the midriff. Friday “Dress Down Days” are a privilege. All rules must be followed to allow “Dress Down Day” to continue.

Salaried employees entering the shop must have closed toe shoes, safety glasses and earplugs.

Plant Personnel Long pants and shirts required. No shorts allowed during your work shift. Steel-toed shoes/boots required. Personal Protective Equipment (PPE) requirements for your department are posted on all shop bulletin boards. Please see your supervisor or the Human Resources Department if you have additional questions.

(Page intentionally left blank.)

(Page intentionally left blank.)

SECTION IV. EMPLOYEE SAFETY AND SECURITY

4.1 Safety Program

Purpose

Webster Industries, Inc goal is to provide a safe, organized work environment for all employees. We will accomplish this with the full support and cooperation of Executive Management, Supervisors/Managers, Safety Committee Members and all Webster employees. Together we will meet our goal by fully complying with all safety and 5S rules and participating in regularly scheduled training and audits.

Responsibility

A group of at least six (6) union employees (one (1) from each department, if possible), shop supervisors and representatives from various office areas, will meet on a monthly basis to discuss safety issues, review injury reports, schedule and conduct safety audits and promote safety by setting good examples. Our 5S Program will be included in meeting topics and audits. Safety and 5S Committee Meetings will be chaired by the Safety Coordinator.

The Safety Coordinator will provide information to the Supervisors for the Monthly Safety Meetings, chair the Safety and 5S Committee, conduct safety audits, and evaluate monthly safety meetings. The Safety Coordinator will also organize a monthly volunteer safety video program, stay up-to-date on training needs and requirements (including First Responders), provide training supplies/materials where needed and maintain the safety supply stock. The Safety Coordinator will provide support to employees and Supervisors and will report to the Vice President Manufacturing.

A list of First Responders is posted throughout the plant and offices; these employees are trained in First Aid, CPR and Blood Borne Pathogens. In the event of an emergency, the First Responders at the scene will coordinate the efforts for the treatment and transportation (if necessary) of the injured employee(s).

Supervisors will be responsible for the safety of their department and hold Monthly Safety Meetings. Supervisors will act as First Responders when needed and will conduct accident investigations by completing an accident investigation form when required by the Safety Coordinator. Each Supervisor's departmental safety program and progress will be discussed and evaluated during mid-year and year-end reviews by the Vice President Manufacturing. Each Supervisor will be responsible for enforcing safety through disciplinary action based on the Workplace Safety Rules.

All managers are to set a good example by being supportive and showing genuine interest in the safety of all employees and by attending Safety and 5S Committee Meetings whenever possible.

The Vice President Manufacturing will show a commitment to safety by being supportive, making suggestions for program improvements, attending Safety and 5S Committee Meetings and working with the Safety Coordinator to set safety goals.

Webster Industries' President & CEO has approved the Safety Program and is committed to its success. The President & CEO will continue to show interest in the Safety Program by being supportive, making changes as needed, and evaluating the progress of the Vice President Manufacturing and Safety Coordinator.

Process

In addition to the monthly Safety and 5S Committee Meetings, we will show a safety video in the Plant Training Room. This program will run most months and is voluntary. The videos will be shown during the lunch hour; Webster will provide pizza for the employees to eat while watching the video. Employees must sign up in the Human Resources Department to watch the video. Some videos may have a short quiz.

In a continuing effort to keep all employees safe and free from workplace injuries we have a mandatory Personal Protective Equipment (PPE) Program. All employees are required to wear hearing protection, safety glasses and steel toed leather footwear while in the plant. Other forms of PPE are required, depending on your job. PPE must be requested from your Supervisor or Group Leader. Webster will provide a choice of hearing protection, non-prescription safety glasses and other PPE at no cost to employees. Examples of other PPE include gloves, aprons, face shields, dust masks, etc. However, excessive replacement of non-prescription safety glasses or any PPE may result in a charge to the employee.

All shop employees will be required to submit to a hearing evaluation on a yearly basis. The results of the first evaluation will be considered a baseline and the results of further evaluations will be monitored to determine if a "threshold shift" in hearing has occurred. Yearly training in hearing conservation will be conducted.

Webster Industries, Inc. has a prescription safety glasses and a safety footwear reimbursement program. See the Union Agreement for details.

4.2 Workplace Safety Rules

1. All injuries, however minor, must be reported to your Supervisor.
2. Develop safe working habits as a way to avoid a serious accident; do not expose yourself or others needlessly to danger.
3. Learn to operate your equipment and how to disengage the power in an emergency.
4. Do not use unsafe equipment. Do not use any equipment unless all guards are in place. Do not tamper with safety guards.
5. Never use equipment you are not authorized to use.
6. Follow all Lock-out/Tag-out procedures.
7. Proper lifting techniques should be used at all times; don't lift and twist.
8. Only trained/authorized personnel should operate Powered Industrial Trucks. Under no circumstances are passengers allowed.
9. Wear safe clothing; loose, baggy clothing, long sleeves or other types of clothing may get caught in machines.
10. Hair that reaches the top of a collarless shirt or extends over the collar of a shirt must be tucked up or in a hairnet when operating a rotating spindle machine.
11. Follow MSDS guidelines for all chemicals you handle.
12. Wear required PPE, including steel-toed shoes. Keep your PPE in good condition; the Company will issue non-prescription safety glasses and hearing protection.
13. All painting operations and Foundry shake out operations require respirator use.
14. Foundry workers must wear required PPE during the heat.
15. All grinding operators must wear face shields or goggles and safety glasses, unless specifically instructed to the contrary.
16. The use of cellular phones during working hours is prohibited; this may cause an unsafe situation by distracting you or your fellow employees.
17. Burning of candles is prohibited throughout the plant and all offices; this creates an unnecessary fire risk.
18. Do not engage in "horseplay" or practical jokes.
19. Do not damage Company property or the property of others.
20. Do not act negligently. Avoid repetitive careless accidents.
21. All union employees must attend the Monthly Safety Meetings.
22. All employees must follow all safety procedures and policies.

The above list contains examples and is not all-inclusive. Failure to comply with these rules may result in discipline or discharge. The authority to discipline rests with the Supervisors and the Vice President Manufacturing. Discipline will be based on accident investigations, injury reports and the severity of the offense.

4.3 Reporting Accidents And Injuries

Webster Industries' procedure for reporting injuries is listed below. This procedure pertains to all employees.

1. Every time you are injured at work you must report the injury to your Supervisor: If a Supervisor is not available, report the injury to a Group Leader.
2. An accident report must be completely filled out and signed by the injured worker.
3. If you need first aid treatment you must notify your Supervisor that you are leaving your department. If the Supervisor is not available, notify your Group Leader.
4. If you work on second or third shift, or a weekend shift without a Supervisor, and leave work due to an injury, you must leave a detailed note for the Human Resources Department and call the Human Resources Department (extension 304) the next morning. Leave a message if there is no answer.
5. If you require medical treatment while you are on the clock we will drive you to Mercy Hospital. Do not drive yourself.
6. If you are helping an injured person and can't leave them, have someone else call the switchboard (dial 0) and give the operator information about the injury. Information to relay to the operator includes where the injured person is, what type of injury has occurred and if 911 has been called. When the First Responders arrive let them take over the situation. You may assist them if they need you; if they don't need your help, please return to your job.
7. If it is an emergency and 911 is called, immediately call the Human Resources Department at extension 302, 304, or 317.
8. No one should touch the scene of an accident or operate any equipment until a First Responder has inspected it. In order to prevent the spread of Blood Borne Pathogens, all equipment that has been or could be contaminated with body fluids must be sanitized.
9. Our goal is to keep everyone working safely and make sure everyone receives proper treatment of his or her injuries.

4.4 Blood Borne Pathogens

Employees who are designated as First Responders may be at risk for an occupational exposure to Blood Borne Pathogens. Any employee who assists an injured employee may also be at risk for potential exposure. A Blood Borne Pathogen (BBP) is defined as any pathogenic microorganism that is present in human blood or other potentially infectious material (OPIM) and can infect and cause disease in persons who are exposed to blood containing the pathogen. An exposure incident is specific eye, mouth, other mucous membrane, non-intact skin or parenteral (human bites that break the skin) contact with blood or other potentially infectious materials that results from the performance of an employee's duties. Using appropriate Personal Protective Equipment (PPE) can reduce most exposures to BBP. PPE is available in the first aid room or from the Human Resources Department.

If you feel you have been exposed to a BBP, you must report this to the Human Resources Department. Qualified health care providers will conduct a confidential assessment of the possible exposure and if it was determined that an exposure has occurred offer post exposure follow-up.

4.5 Smoking Policy

In compliance with the recently enacted Ohio law prohibiting smoking, and to protect and to contribute to the health and well-being of all employees, Webster Industries, Inc. property shall be non-smoking effective December 6, 2006.

Webster Industries, Inc. offers its employees who wish to participate in a Smoking Cessation Program assistance with any expenses not paid by the health plan. Please see the Benefits Coordinator for more information.

Failure to comply with all of the components of this policy will result in disciplinary action leading up to and including termination.

4.6 Security

Access to all Webster buildings is limited to authorized personnel (employees scheduled for work and business visitors).

Employees reporting for work during lunch breaks and when leaving after work are to enter and exit the plant through Doors A, B, C or D.

Union employees are to use the parking lot located at the south end of the plant. There is a security gate at the entrance to this employee parking lot. The gate has been installed to protect employees and their belongings.

How To Use The Gate:

1. Slow your vehicle down before approaching the gate.
2. If the gate is closed enter your pin number (the last 4 numbers of your social security number).
3. Wait for the gate to open and proceed into the parking area.
4. If the gate does not open for any reason, park in the front parking lot and notify maintenance immediately at extension 286.
5. If maintenance is not available notify the Anneal Man at extension 230.
6. Emergency vehicles have been given a specific code to use (fire & police).

Things To Keep In Mind:

1. The gate will be open 5:00 A.M. until 5:30 P.M. Monday thru Friday, at all other times you must use your preprogrammed pin number to open the gate
2. While the gate is moving a beeping sound will be heard.
3. The gate has an electric eye that will keep the gate open until the entrance is clear.
4. The gate will close after 20 seconds of the entrance being clear.
5. Although 20 seconds doesn't seem that long, someone could wait outside the gate and try to get in before it closes. If you notice any suspicious vehicles sitting around outside the gate, please get a description and plate number. Report them to the Human Resources Department.
6. Only current employees' pin numbers are programmed in. The pin numbers of employees on layoff will be disabled; they will be reactivated when the employee is called back.
7. Do not share your pin number with others; this increases the risk of property damage.
8. The gate is electric so there may be times when it doesn't operate due to power outages or bad weather conditions.
9. **Whether or not the gate is working you are still expected to report to work on time.** You may park in visitor's lot or across from Receiving until it is opened.
10. Employees must use caution when approaching the gate, especially in the winter when the roads are slippery from ice and snow. We do not want the gate being damaged from vehicles whether accidental or intentional.

All bicycles are to be parked in the bicycle racks.

The main gate will be closed and locked at 5:15 P.M. every day.

NO CARS ARE TO PARK IN FRONT OF THE BUILDING. THIS IS A FIRE LANE.

Employees who are given keys related to their jobs will be held responsible for the keys. Lost keys must be reported to the Human Resources Department immediately. Upon separation from the Company, all keys must be returned.

For the safety and security of all Webster employees and visitors, no weapons are to be brought onto Webster property, regardless of the Concealed Weapons Carry Law.

4.7 Visitors

Visitors are to park in the visitor's parking lot outside the main gate and register with the receptionist.

If someone is picking you up after work, or dropping you off, they are to wait for you outside the main gate in the visitor's lot.

Anyone coming to visit employees while on lunch break must do so in the visitor's lot.

4.8 Driving Record

Employees who drive on the job must maintain a driving record satisfactory to both the Company and our insurance carrier. It is at our discretion to request an updated Motor Vehicle Report on an annual basis for all drivers.

Any employee who is required, in the course of his or her job duties, to drive a Company vehicle must have a valid driver's license, including a CDL if applicable. The Company, or the Company's insurance carrier, may request an employee's driving record from the Motor Vehicles Department at any time.

4.9 Employee Guide To Hazard Communication

Hazard Communication – Employee Right To Know (1910.1200)

Purpose

This regulation requires chemical manufacturers to assess the hazards of chemicals or substances they sell and pass this information on to distributors or using companies – via “labels” and “Material Safety Data Sheets” (MSDS’s).

Almost everything we are exposed to in life is toxic if you are exposed to enough of it. It is important that the levels of exposure to chemicals be kept within safe limits. Although we feel that there is no exposure to chemicals in our plant in excess of allowable limits, we will continue to monitor the situation. If problems are discovered, ventilation may be added or enhanced and in some cases employees may be asked to wear Personal Protective Equipment (PPE). We want to help ensure that Webster employees, our Company’s greatest asset, are not harmed from a safety and health standpoint while doing their job.

Responsibility

Webster must make sure that its employees are informed of this law and the hazards of substances they work with. You, the employee, have a right to know about these hazards and how Webster is protecting your health and safety. The Human Resources Department is responsible for the assignment of numbers and the control of the MSDS’s. The Human Resources Department will forward a new or revised MSDS to the affected department’s Supervisors. The Supervisor will then conduct appropriate training. Webster’s employees have a personal responsibility to assist Webster management in complying with this law. It is important that each of you becomes familiar with the chemicals you work with day-to-day and comply with company requirements for wearing PPE. Earplugs, respirators, gloves, and aprons are examples of PPE.

Hazard Criteria --- What Is “Hazardous” Under OSHA Law

Chemicals and substances are considered hazardous if they meet any one of the following OSHA-defined criteria:

- a. Explosive, flammable, or combustible.
- b. Oxidizer, reactive, corrosive (acids, bases, etc.).
- c. Compressed gas.
- d. Irritant.
- e. Toxic or highly toxic (based on LD₅₀ or LC₅₀).
- f. Suspected cancer-causing chemicals listed by OSHA, NTP, or IARC.
- g. Reproductive hazard, mutagen (cell change), or teratogen (birth defects).
- h. Chemicals that affect major organs of the body (kidney, lung, liver, skin, etc.).
- i. Sensitizers (cause allergic-type reactions).
- j. Listed by AGGIH as having a TLV 9 (threshold limit value, amount of exposure).
- k. Listed by OSHA as having a PEL (permissible exposures limit, less than TLV).

Process

Employees should learn the hazards of the chemicals you work with. This information can be found on the container label and the chemical’s MSDS. Every hazardous chemical at Webster is assigned a number that will direct you to the corresponding MSDS. A complete set of MSDS’s is located in a cabinet in the lunchroom. These MSDS’s are available to employees at all times. The MSDS will contain important information regarding the chemical. You should become familiar with the MSDS for any chemical you work with. The following information can be found on the MSDS:

- a. Material Identification: name, address, telephone number of the manufacturer, chemical name, formula and trade name.
- b. Hazardous Ingredients: lists all hazardous ingredients greater than one percent by weight* and lists potential hazards as well as respective TLV’s (threshold limit values or maximum allowable airborne concentrations).
- c. Physical Data: physical description, color, odor, PH, etc.
- d. Fire and Explosion Data: flash point ease of ignition, fire-fighting techniques, and equipment.
- e. Health Hazard Data: health effects, allowable exposures, and first aid/emergency procedures.
- f. Reactivity: stability of material and what it is incompatible with.
- g. Spill Lead Procedures: clean up and disposal methods for spills.
- h. Special Precaution Information: PPE required, ventilation requirements, medical surveillance precautions.
- i. Special Precaution: proper storage and personal hygiene precautions.

* Or greater than .1% for materials with cancer producing potential.

All containers in the workplace must be labeled. The Receiving Clerk is responsible for affixing a plant label with the corresponding MSDS number on the product before it leaves the receiving area. Some items are labeled from the supplier, these labels are an immediate source of hazard or emergency data regarding substances you work with. If a label becomes old and unreadable, it should be reported to your Supervisor. Chemicals should not be transferred to unmarked containers unless you will be using the entire transferred chemical during your shift. Heed special precautions on the labels or MSDS when handling or storing chemicals; use chemicals in well-ventilated areas. When working in areas with excessive exposure to hazardous agents, use the proper PPE.

If a chemical is spilled, use PPE and follow emergency clean-up procedures or MSDS clean-up procedures. Report all spills, injuries, and equipment accidents immediately to your Supervisor. Follow first aid procedures for chemical exposures; refer to the MSDS and immediately contact your Supervisor. Severe exposure may require prompt medical attention. Practice good hygiene. Never eat, smoke, or drink in areas where hazardous substances are found. After handling hazardous substances, always wash hands before eating.

Contact your Supervisor if you have any questions regarding proper handling of hazardous substances.

Substances Of Special Interest To Webster Employees

The following list gives a brief description of substances used at Webster and the associated hazards and controls:

1. Oils and Greases – used plant-wide
 - Hazards: Generally nonhazardous, but some are classified hazardous. Normally a low order of toxicity unless misted. On prolonged contact, can cause skin irritation, dermatitis, or other skin problems.
 - Controls: minimize skin contact, use good personal hygiene (wash off skin), don't re-wear contaminated clothing, use ventilation if misted. Use PPE as necessary.
2. Carbides – maintenance items
 - Hazards: Toxic alloy elements may be released during grinding (e.g. tungsten, cobalt chromium, etc.)
 - Controls: Use adequate ventilation while grinding. Avoid breathing dusts.
3. Solvents – e.g. Stoddard Solvent, Toluene, Kerosene, Degreasers, etc.
 - Hazards: Variable toxicity through inhalation. Avoid excessive skin contact, which could cause skin irritation or dermatitis.
 - Controls: Use in area with sufficient ventilation or wear respirator, wear gloves or other PPE where prolonged contact is expected.
4. Metals – maintenance department (e.g. Copper, Steel, Aluminum, etc.)
 - Hazards: Alloying elements can be emitted during cutting, brazing, welding, grinding, etc. Also, elements in the welding rods and fluxes can be given off.
 - Controls: Use in adequate ventilation when welding, cutting, grinding, or grazing for extended periods of time or on specialty metals such as stainless steel, leaded bronzed or brasses, or other metals. Avoid inhaling dusts or fumes generated to extent possible.
5. Paints – spray or brush-on and related thinners
 - Hazards: Most paints pose little danger when used for short durations or on small projects. Use over long periods or in enclosed areas can cause problems with regard to solvent vapor or toxic particulate build-up. Special attention should be given to spraying operations involving lead or chrome pigmented paints.
 - Controls: Where necessary, use adequate ventilation, and spray inside paint booth; make sure there are no sparks or open flames in the area. Paint respirators can be used for additional protection.
6. Various Cleaners, Aerosols, and Miscellaneous – over-the-counter type items
 - Hazards: Varies, but may contain acids, gases, solvents, pressurizing agents, etc. that can be very damaging to the eyes, skin and respiratory tract.
 - Controls: Read labels prior to use of these materials and use PPE as necessary or as dictated on label. Avoid mixing incompatible materials such as chlorine bleach and ammonia. *Use common sense.*
7. Free Silica – contained in molding sands, western bentonite, core sands, etc.
 - Hazards: May cause silicosis or other lung damage after prolonged high exposure.
 - Controls: Ventilation and respirators; minimize breathing silica containing dusts; use work proactive controls to keep dust to a minimum.
8. Pheno-Formaldehyde and Isocyanated Based Core Compounds
 - Hazards: May emit formaldehyde or isocyanates when heated causing irritation to eyes, nose and throat and possible sensitization (allergic-type reaction).
 - Controls: Use with adequate ventilation.

4.10 LockOut/TagOut

LockOut/TagOut (The Control of Hazardous Energy) 1910.147

Purpose

This procedure establishes the minimum requirements for the lockout or tagout of energy isolating devices. It shall be used to insure that the machine or equipment is isolated from all potentially hazardous energy and locked out or tagged out before employees perform any servicing or maintenance activities where the unexpected energizing, start-up of the machine or equipment and release of stored energy could cause injury.

All employees are required to comply with the restrictions and limitations imposed upon them during the use of lockout. The authorized employees are required to perform the lockout in accordance with this procedure. **All employees, upon observing a machine or piece of equipment which is locked out to perform servicing or maintenance, shall not attempt to start, energize or use that machine or equipment.**

Responsibility

Appropriate employees shall be instructed in the safety significance of the lockout or tagout procedure. Each new or transferred affected employee and other employees whose work operations are or may be in the area shall be instructed in the purpose and use of the lockout or tagout procedure.

Lockout must be used instead of tagout, whenever possible. The only exception is when it can be proven that it is impossible to use a lockout.

Whenever outside servicing personnel are to be engaged in activities covered by the scope and application of this standard, the on-site employer and the outside employer shall inform each other of their respective lockout or tagout procedures.

During shift or personnel changes specific procedures shall be utilized to ensure the continuity of lockout or tagout protection, including provision for the orderly transfer of lockout or tagout devices between off-going and on-coming employees, to minimize exposure to hazards from unexpected energizing, start-up of the machine or equipment and release of stored energy.

Preparation For Lockout Or Tagout

Make a survey to locate and identify all isolating devices to be certain which switch(s), valve(s) or other isolating devices apply to the equipment to be locked or tagged out. More than one energy source (electrical, mechanical or other) may be involved.

Sequence Of Lockout Or Tagout System Procedure

1. Notify all affected employees that a lockout or tagout system is going to be utilized and the reason therefor. The authorized employee shall know the type and magnitude of energy that the machine or equipment utilizes and shall understand the hazards thereof.
2. If the machine or equipment is operating, shut it down by normal stopping procedure(s).
3. Operate the switch, valve or other energy isolating device(s) so that the equipment is isolated from its energy source(s). Stored energy (such as that in springs, elevated machine members, rotating flywheels, hydraulic systems and air, gas, steam or water pressure, etc.) must be dissipated or restrained by methods such as repositioning, blocking, bleeding down, etc.
4. Lockout and/or tagout the energy device(s) with assigned individual lock(s) or tag(s).
5. After ensuring that no personnel are exposed and as a check on having disconnected the energy source, operate the push button or other normal operating controls to make certain the equipment will not operate.

CAUTION: RETURN OPERATING CONTROL(S) TO THE "NEUTRAL" OR "OFF" POSITION AFTER THE TEST.

Restoring Machine Or Equipment To Normal Production Operations

1. After the servicing and/or maintenance is complete and equipment is ready for normal production operations check the area around the machine or equipment to ensure that no one is exposed.
2. After all tools have been removed from the machine or equipment, guards have been reinstalled and employees are in the clear, remove all lockout or tagout devices. Operate the energy isolating device(s) to restore energy to the machine or equipment.

3. The employee who applied the device shall remove lockout or tagout device(s) from each energy-isolating device. When the authorized employee who applied the lockout or tagout device is not available to remove it, the device may be removed under the direction of the employer, provided that specific procedures and training for such removal have been developed.
 - a. Employer must verify that the authorized employee who applied the device is not at the facility.
 - b. Employer must make all reasonable efforts to contact the authorized employee to inform him/her that his/her lockout or tagout device has been removed.
 - c. Employer is to ensure that the authorized employee has this knowledge before he/she resumes work at the facility.

Procedure Involving More Than One Person

In the preceding steps, if more than one individual is required to lockout or tagout equipment, each shall place his/her own personal isolating lockout or tagout device on the energy isolating device(s). When an energy-isolating device cannot accept multiple locks or tags, a multiple lockout or tagout device (hasp) may be used. If lockout device is used, a single lock may be used to lockout the machine or equipment with the key being placed in a lockout box or cabinet, which allows the use of multiple locks to secure it. Each employee will then use his/her own lock to secure the box or cabinet. As each person no longer needs to maintain his/her lockout protection, that person will remove his/her lock from the box or cabinet.

4.11 Emergency Action Plan

Purpose

The purpose of an Emergency Action Plan is to protect the employees from serious injury, property loss, or loss of life in the event of major disaster. A major disaster constitutes any one of the following: fire, tornado, earthquake, flood, bomb threat, or hazardous chemical spill. In the event of any disaster listed, this plan describes the responsibilities and actions to be taken to protect all employees.

General Procedures

A warning of a disaster may come from any one of the following: commercial or civil defense radio or T.V., in-plant automatic sprinkler or alarm, messenger or police.

- A. A person receiving notification of a possible disaster or an in-plant emergency should immediately notify the switchboard (dial 0). The type of disaster or emergency situation should then be conveyed to all employees with the use of the plant emergency alarm system (Auto-Call).
- B. The following personnel will constitute an Emergency Control Committee: Foundry Manager and Manufacturing Operations Manager. They will assess the situation, report to the President & CEO and Vice President Manufacturing, decide what procedures need to be taken, assign tasks to personnel and take any other action necessary to protect lives. In any emergency situation, the ranking member of management present shall have final authority to coordinate procedures, and amend, modify or supersede any provisions of this plan in order to ensure employee safety.
- C. Emergency Control will be coordinated in the Human Resources Department or the most convenient office of the other committee members.
- D. First Responders (a list of First Responders is posted throughout the plant and offices) have been certified to provide emergency first aid treatment. When a person is in need of first aid please step back and let the First Responders do their job.
- E. All maintenance personnel will know the location and operation of main controls for shutting off gas, electricity and water leading into the building.
- F. Information to any source of news media will only be released at the discretion of the Vice President Manufacturing.
- G. Telephone numbers to use are: Dial 9 (for an outside line) then 911 for emergencies, or 9-419-447-2323 for non-emergency police.

Responsibility

The following persons and alternates have been assigned to the following duties during a Plant emergency:

Persons assigned to take charge during a fire:

First Shift	Maintenance Manager
Alternate	Vice President Manufacturing
Second Shift	Second Shift Supervisor
Alternate	Shift Fire Watchman (Anneal Man)
Third Shift	Shift Fire Watchman
Alternate	Heat Treat Operator
Weekend (Saturday/Sunday)	Shift Fire Watchman
Alternate	Heat Treat Operator

This person should confirm the Fire Department has been notified by placing a call to them or designating an alternate to place the call. This will serve as a back-up to the alarm system.

Persons assigned to go to the sprinkler control valve at the time of a fire:

First Shift	Maintenance Group Leader
Alternate	Maintenance Employee
Second Shift	Maintenance Group Leader
Alternate	Maintenance Employee
Third Shift	Department Group Leader
Alternate	Department Employee

This person should confirm that the valve is wide open and that it stays open for the duration of the fire. The valve should not be closed until authorization is given by fire officials. This person should remain by the valve until fused sprinkler heads can be replaced and the valve reopened and locked; the locks on the valves are breakaway type. Training will be conducted quarterly as requested by our insurance carrier.

The following Persons assigned to notify Webster's chosen Environmental Company and the Fire Department if a spill or release exceeds 25 gallons

All Shifts	Maintenance Manager
Alternate	Vice President Manufacturing
Second Alternate	Safety Coordinator

This person is then responsible for reporting a spill of over 25 gallons which leaves the facility property line to the Ohio EPA and for completing the spill notification follow-up on Form #2015. The completed form must be submitted to the Ohio EPA Emergency Response Section and the local planning committee of the planning district within 30 days of the spill.

Emergency Alarms

Alarms will sound throughout the plant for various types of emergencies and tests. Employees should not evacuate the plant until instructed by an authorized person. The Emergency Control Committee will decide if evacuation is necessary and then contact the departmental Supervisors.

There may be times when only certain areas are to be evacuated: Supervisors will instruct their employees.

Evacuation Routes and Meeting Sites

A map of all evacuation routes and meeting sites will be displayed in the lunchroom and all departments (see Appendix 1, Evacuation Routes and Meeting Sites). The map shows a primary and secondary route of exit. It is the responsibility of all first line Supervisors to inform employees of these routes. Once a department has evacuated to their designated site outside the plant the Supervisor needs to get a head count. After the roll call is complete, all employees should proceed to the front lawn and stay there until instructed otherwise. The Supervisor will then report the head count to the Emergency Control Committee.

Emergency Shutdown Of Operations

An emergency shutdown will only be ordered from the highest-ranking member of the Emergency Control Committee. If time permits, the following personnel should perform the following: Forklift drivers move trucks out of aisles and exit ways. Maintenance should shut off gas lines and electrical supply. No employee should risk any type of injury to accomplish these tasks.

Emergency Auto-Call

The auto-call was established to help coordinate efforts of first aid when an employee suffers an injury or illness. To activate the auto-call system, call the switchboard (dial 0); you will need to give details as to the nature of the problem and the location. All First Responders should call the switchboard to find out the location of the problem. They should then respond to the location to see if their assistance is needed. Only First Responders should call the switchboard for information, other callers may delay necessary help.

For emergencies in the Main Office the operator will need to use the P.A. System.

Fire

In the event of a fire, the ADT Sprinkler Alarms System will be activated automatically. Upon activation, the flow of water will begin in the zone of the fire and an alarm will sound throughout the building. Upon hearing the alarm and being instructed to by a Supervisor, employees should, if time permits, shut off the power to the equipment they are operating and proceed to the proper evacuation site. If the sprinkler has activated in the zone you are working, you should, if time permits, shut off the power to the equipment you are operating, report to the assigned evacuation meeting site and wait for further instructions (see Appendix 2, Fire Alarm Zones).

Hazardous Chemical Spill

All employees are responsible for good housekeeping in their respective departments to reduce the risk of a spill. Refer to Work Instruction 9.8.29 for further details.

The "Industrial Storm Water Pollution Prevention Plan" is maintained in the Maintenance Office and Safety Coordinator's Office and contains specific information on spill/pollution prevention and containment.

Tornado

In the event of a tornado or severe weather warning the Emergency Control Committee will track the situation and inform employees of any action to be taken. All employees should be familiar with the location of the Emergency Shelters (see Appendix 3, Emergency Shelter Locations).

Earthquake

Earthquakes usually occur without any warning. Employees should attempt to get into a doorway passage or under a table or desk. No one should go outside. After an earthquake has stopped, the following procedures should be initiated:

- A. All employees should help restore calm to fellow employees.

- B. The Emergency Control Committee and Supervisors/Managers should check for injuries and call First Responders as needed.
- C. The Maintenance Department should check for fires and shut off all gas, electricity and water at main controls.
- D. The Maintenance Manager should inspect the building for damage. If major structural damage has occurred, the Emergency Control Committee should order a complete evacuation.
- E. The Emergency Control Committee should then notify proper utility companies or other services as needed.

Bomb Threat

In the event of a bomb threat, which will normally be received over the telephone, the following procedure should be followed:

- A. The person receiving the bomb threat should try to get as much information as possible from the caller, then IMMEDIATELY NOTIFY THE LOCAL POLICE (dial 9-911), informing them of all the details (time of call and details of the conversation).
- B. Notify your Supervisor. The Supervisor will notify the Emergency Control Committee and other Supervisors/Managers.
- C. If necessary, Supervisors will conduct a plant evacuation and sweep of the plant.
- D. Providing nothing has been found, employees will return to the plant and resume production.
- E. Management will conduct a follow-up investigation.

Flooding

No employee is to operate or run any equipment while standing in water. The Supervisor or maintenance will disable equipment as needed. Supervisors will organize the clean up of water in their department.

Fire Prevention And Workplace Hazards

We all have a common interest in doing everything we can to prevent damage by fire to the building and equipment. Please observe all fire prevention rules

It is the responsibility of all employees to prevent any type of fire by observing the following fire prevention rules:

- Extinguish all cigarettes.
- Do not have an open flame around any type of chemicals.
- Make sure all handheld torches are extinguished.
- Do not put hot objects in the trash cans.

Everyone should know the location and proper use of the nearest fire extinguisher. When a fire extinguisher has been used, report it at once to your Supervisor. Do not hang a used fire extinguisher back in place.

All welding operations will be done in a confined area unless otherwise instructed; a fire extinguisher will be available. Outside contractors must have a welding permit from maintenance.

Control Of Workplace Hazards

All flammable and combustible materials will be stored in a designated area. Good housekeeping will be the responsibility of ALL employees. All waste materials are to be discarded in their proper places. All aisles, exits and painted areas to fire extinguishers will be kept clear and easily accessible. All employees will know their evacuation route, exits and meeting site. Supervisors will make sure all chemicals are properly labeled.

Maintenance Of Fire Equipment And Systems

The Manufacturing Operations Manager will be responsible for making sure all required inspections are completed on the sprinkler system and fire extinguishers.

*******PROCEDURE FOR SECOND AND THIRD SHIFTS*******

In lieu of the plant emergency alarm system, second and third shift employees will use their radios to communicate emergency situations. Group Leaders should report to the Supervisor who will dictate the action to take. The Group Leaders will then instruct employees what action to take depending on the type of emergency situation. Group Leader will continue to report information to the Supervisor until the situation is controlled.

4.12 Respirator Use

Respiratory Protection 29 CFR 1910.134

Purpose

Webster Industries recognizes there are processes or work procedures in our facility which may result in employee overexposure to regulated chemicals. Employees who are carrying out these duties are required to wear a respirator to help reduce these exposures. The provisions of such respirator use are identified and explained in this policy.

All Second Shift employees involved in “shake out/spruing” operations as well as the “skid-steer” driver are required to wear a Filtering Facepiece respirator (N95 dust mask) while performing those operations.

All employees who work in the “Paint Booth” are required to wear a Half Mask respirator with Organic Vapor Cartridges while performing painting operations.

In addition, some employees (such as Maintenance Employees) may express a desire to wear respirators during certain operations that do not require respiratory protection. These requests will be evaluated on a case-by-case basis. If it is determined to allow respirator use, the worker(s) must follow the same provisions as the worker(s) who are required to use respirators.

Responsibility

The Safety Coordinator will ensure that all appropriate employees are instructed in the safety significance of respirator use. Each new or transferred affected employee shall be instructed in the purpose and use of the respirators. Respirator styles will be chosen by the Safety Coordinator based on information including, but not limited to, air sampling, job hazards and ease of use, Webster Industries will provide the respirators at no cost to employees.

A Physician or other Licensed Health Care Professional (PLHCP) will be appointed by the Safety Coordinator. The PLHCP will conduct medical evaluations, re-evaluations and if needed medical examinations. A medical re-evaluation will be given annually or when it is reported or observed that changes in the employee’s medical condition have occurred that could affect the employee’s ability to successfully use a respirator. The LHCP will have knowledge of this program and all necessary information to determine the ability of each employee to successfully use a respirator while employed at Webster Industries, Inc.

Employees who are required, or who choose, to wear a re-usable respirator must safeguard the respirator against damage by ensuring the respirators are properly cleaned, maintained and stored as directed. Employees are required to report any malfunctions of, or problems with, respirators to their supervisor.

Employees who are required, or who choose, to wear a disposable respirator must request a new respirator from their supervisor (or designee) at the start of their shift.

Supervisors must not assign a task that requires respirator use to any employee who has not been cleared by the PLHCP or who has not received training on the proper use and care of respiratory protection equipment.

Process

Before employees can use a respirator a fit test must be completed. This will ensure proper seal and fit can be achieved. The fit test will be conducted using the make, model and size of respirator that they will actually use. A fit test will also be given annually or when it is reported or observed that changes in the employee’s physical condition have occurred that could affect respirator fit or function. Such conditions include but are not limited to facial scarring, dental changes, cosmetic surgery or an obvious change in body weight.

Each day, before use, the employee must complete an inspection of the respiratory protection equipment. This inspection shall include checking the condition of the facepiece, straps/harnesses, valves and cartridge/canister connections. These should be free of rips, tears, or any deformities. Any rubber or elastomeric parts should be inspected for pliability and deterioration.

Re-usable respirators should be cleaned on a regular basis of at least monthly, or as determined by use. The cleaning procedure should include disassembling the respirator and inspecting all parts. Defective parts should be discarded and new parts should be requested. All parts should be washed in warm soapy water, or with cleaning clothes. Allow parts to dry before re-assembling respirator, installing new parts or cartridges/canisters if needed. Respirators should be stored in a closable plastic bag, away from direct heat and sunlight, excessive moisture or damaging chemicals. Respirators shall be packed or stored so that the facepiece and exhalation valve will rest in a normal position.

Single use disposable respirators should be used for one shift only and need no cleaning and disinfecting.

All employees using respirators, whether required or voluntary, must complete the Respirator Program training. The training will include an explanation of the hazards associated with the operations requiring respirator use and the specific type of respirator that was chosen for each operation. The respirators capabilities and dangers of not using the respirator correctly will be discussed. The proper use, cleaning, maintenance and storage of respirators will also be discussed. The difference between required and voluntary use of respirators will be explained along with the guidelines for each. Specifically 1910.134 and Appendix D.

(Page intentionally left blank.)

SECTION V. GENERAL PAYROLL POLICIES

5.1 Our Pay Policy

It is the policy of Webster Industries, Inc. to pay wages that are competitive with those paid for similar jobs in our community and industry. We maintain our competitiveness by periodically reviewing our wage structure. During this review, the Company takes into account increases in the cost of living, the general economy, and the profitability of the Company as well as the individual's contribution.

Wages for union employees are dictated by the Union Agreement.

5.2 Paydays And Pay Periods

The pay period for all union employees begins on Monday and ends on the following Sunday. All union employees are paid on a weekly basis each Friday. See Union Agreement for details.

The pay periods for salaried employees are the 1st through the 15th and the 16th through the end of the month, with paydays being twice a month on the 5th and the 20th. Should the 5th or 20th fall on a weekend, you will be paid the Friday prior to the weekend. Knowing the Payroll Department must have sufficient time to accurately prepare payrolls, any overtime worked during one pay period will not be paid until the following pay period.

Should you lose your paycheck, please notify the Human Resources Department immediately so that payment can be stopped and a new check issued to you.

5.3 Pay Deductions

There are two types of pay deductions: deductions required by law and deductions that you have authorized.

The law requires that regular amounts be deducted from your pay and applied toward payment of your federal, state, and local income taxes, if applicable, and to Social Security.

The Company offers programs and benefits beyond those required by law. If you wish to participate in these programs and/or benefits, you must authorize deductions from your paychecks for the cost of the program and/or benefit.

5.4 Direct Deposit

Direct deposit is available on a voluntary basis. See the Human Resources Department for enrollment or changes.

5.5 If You Find An Error In Your Pay

If an error occurs in your pay, notify the Human Resources Department, who will obtain the correct information for you and determine whether or not an adjustment is in order. If an error is found, you will receive an adjustment on the next regular payday.

5.6 Overtime

There may be occasions when it is necessary to require employees to work overtime. We will attempt to give employees as much advance notice as possible and an employee will be expected to work overtime when asked, since it will only be requested when necessary. No employee is permitted to work overtime without the prior approval of his or her supervisor.

For salaried nonexempt employees, any time worked over forty (40) hours per week will be considered overtime and will be paid at one and one-half (1-1/2) times that employee's regular wage rate. Personal or sick time hours paid for but not worked will not be included as hours worked for purposes of computing overtime.

Union employees – see Union Agreement.

(Page intentionally left blank.)

(Page intentionally left blank.)

SECTION VI. EMPLOYEE BENEFITS

6.1 Our Employee Benefit Programs

Complete and official details of the group insurance programs are contained in materials which employees will receive separate from this handbook. The descriptions in this handbook are only brief summaries for your general information. Contact the Human Resources Department for more details.

The existence of these employee benefit programs, in and of themselves, does not signify that an employee will be employed for the requisite time necessary to qualify for these benefits. The Company reserves the right to change or discontinue some or all of these benefits, subject to the applicable terms of the Union Agreement.

6.2 Holidays

At Webster Industries, Inc., we observe ten (10) holidays each year. These are days on which you normally will not be required to work. Full-time salaried employees who have completed 90 calendar days of service with the Company will receive holiday pay for each of the following holidays:

New Year's Day	Christmas Day
Good Friday	The Day Before Or The Day After Christmas Day
Memorial Day	A Floating Holiday
Fourth Of July	
Labor Day	
Thanksgiving Day	
Day After Thanksgiving	

Holiday pay benefits are equal to the employee's base hourly rate times the number of hours the employee is regularly scheduled to work per day, not to exceed eight (8) hours.

To receive holiday pay, you must work all scheduled hours on the last working day before and the first working day after the holiday, unless you have made satisfactory arrangements in advance with your Supervisor to be excused.

If you work on a holiday, you will be compensated for actual hours worked, in addition to receiving holiday pay benefits for that day.

Union employees – see Union Agreement for specifics on holiday pay.

6.3 Vacations

We believe that paid vacations are important to both you and the Company as a time for you to relax, be away from work and enjoy personal or family activities. All full-time employees are eligible for paid vacation benefits according to the following schedule:

Salaried Employees – Vacation Policy:

The anniversary date for qualification for vacation eligibility shall be January 1st of each year.

New employees shall accumulate eligibility for the next calendar year as follows:

After 3 Months Service	1 Day
After 4 Months Service	2 Days
After 5 Months Service	3 Days
After 6 Months Service	4 Days
After 7 Months Service	5 Days
After 8 Months Service	6 Days
After 9 Months Service	7 Days
After 10 Months Service	8 Days
After 11 Months Service	9 Days

The vacation period shall be January 1st through December 31st. No accumulation of vacation benefits or time off will be allowed from one vacation period to the next. Vacation time off may not be taken concurrently in any two vacation periods.

Employees with more than one year of service as of the January 1st anniversary date shall be entitled to vacation as follows:

1 Year But Less Than 10 Years	2 Weeks
10 Years But Less Than 20 Years	3 Weeks
20 Years And Over	4 Weeks

All vacations must be cleared through your Supervisor so that there will be no conflicts.

Employees who quit their jobs or are discharged for just cause prior to the January 1st anniversary date will not be eligible for accrued vacation benefits.

Employees with three (3) weeks of vacation may request to waive and be paid for no more than one (1) week of vacation and employees with four (4) weeks of vacation may request to waive and be paid for no more than two (2) weeks of vacation. Partial week(s) cannot be waived, and employees with one (1) or two (2) weeks of vacation are not permitted to waive time off. Any weeks waived must be with the approval of your immediate Supervisor.

Salaried Employees – Vacation Benefits At Retirement:

In the event a salaried employee retires from the Company, the employee will be entitled to a vacation benefit based on their accrued services in the vacation year commencing from the most recent January 1st anniversary date.

The employee will be paid on the basis of one-twelfth of the benefit payable for each complete month of service in the vacation year in which retirement occurs to retirement date, starting with the vacation anniversary date of January 1st.

The benefit payable is defined as the current monthly pay of the employee at the time of retirement factored by the number of weeks of eligibility the employee has earned from the vacation schedule.

For the purpose of this supplement, retirement from the service of the Company means having attained the age of 55 and having at least ten years of continuous service at the time of separation.

Salaried Employees – Vacation Benefits At Layoff:

Should a salaried employee of Webster Industries, Inc. be laid off, the following policy shall be used to determine vacation benefits.

The laid off employee shall be paid, at time of layoff, for any unused portion of vacation benefits remaining from the current vacation period.

Employee shall also be paid vacation benefits on a prorated basis, figured on the number of complete months worked in the vacation year in which layoff occurs to date of layoff, starting with the vacation anniversary of January 1st.

If recalled during the current qualifying year, employee shall accrue vacation benefits based on the number of complete months worked from the date of recall until December 31st. This earned vacation will be taken from January 1st through December 31st of the subsequent year.

The benefit payable is defined as the current monthly pay of the employee at time of layoff factored by the number of weeks of eligibility the employee has earned from the vacation schedule.

Should a layoff be scheduled for only a short period, one month or less, the Department Supervisor and the Human Resources Department shall determine whether or not earned and accrued vacation benefits should be paid.

Union Employees – Vacation Policy:

Union employees – see Union Agreement for specifics on vacation policy.

6.4 Sick/Personal Leave

Salaried Employees – Sick Days

The company recognizes there are times when you will be unable to work due to personal illness or injury or because of an emergency involving your immediate family. In these instances the Company does not want you to suffer financially as a result of your occasional absence from work.

Therefore, at the beginning of each year the Company will make available to you a sick leave of six (6) working days. If you begin your full-time employment after the calendar year has begun, your sick leave will accumulate at the rate of one half (1/2) day per month.

Your sick leave may be used in the following manner:

1. For each day you are absent from work because of illness, injury, medical condition, or emergency involving your immediate family, or other excused valid reason, as determined by your immediate supervisor, you will use one sick day or fraction thereof.
2. This time may not be used to extend vacation time off, for personal appointments such as shopping trips, hair appointments or to complete general personal business, nor will it accumulate from one year to the next.

Paid sick leave is granted by the Company for the sole purpose of giving you income protection when you are absent from work for the reasons described in this policy. You will not be paid for time you are absent from work beyond your accumulated sick leave; however, if any of the six (6) days are unused as of the end of the calendar year, the Company will pay salaried nonexempt employees for up to three (3) unused sick days.

In order to provide you with further income protection beyond that provided by your accumulated sick leave, the Company's disability policy may apply.

Frequent absence, either excused or unexcused, beyond your accumulated sick leave is considered chronic and will subject you to disciplinary action.

Union Employees – Sick Leave

Well days are available for union employees per the Union Agreement. The well day string is reset to zero beginning January 1.

Absences that break the well day string are:

- Personal Illness
- Family Illness
- Personal Business
- Other/Leave of Absence
- Late 2 Hours or Less
- Late Over 2 Hours
- Suspended
- Unexcused
- Quit

Absences that do NOT break the well day string AND do NOT add 1 day to the string are:

- Industrial Injury
- Bereavement
- Jury Duty
- Military Leave
- Family Medical Leave
- Snow Day
- Not scheduled

Absences that ADD 1 day to the well day string are:

- Holiday
- Vacation
- Well Day
- Scheduled Work Day
- see Union Agreement.

6.5 Disability Pay

The Company pays a full-time employee a weekly disability benefit for periods during which he or she is disabled and prevented from working as a result of a non-occupational illness or injury or other medical condition. This is a short-term policy covering up to 26 weeks.

It is not necessary to be confined at home to collect benefits, but no benefits are payable for any period during which the employee is not under the care of a legally licensed physician. The period of disability must commence while coverage is in force.

Successive periods of disability due to the same or related causes shall be considered as one continuous period of disability unless separated by return to full-time active employment for a period of two (2) weeks. Successive periods of disability due to entirely unrelated causes shall be considered as one continuous period of disability unless separated by return to full-time active employment for at least one (1) day.

Union employees – see Union Agreement for information on disability pay.

A salaried nonexempt and exempt employee is subject to a 5-day waiting period before salary continuation pay begins. Employees may use sick days or vacation days if they wish to be paid during the waiting period.

A salaried nonexempt employee with less than five years of continuous service is paid one month full basic salary, less any income received from Government Agencies - such as Workers' Compensation or Social Security Benefits. An additional five months will be paid at the weekly disability rate consistent with the rate listed in the Union Agreement.

A salaried nonexempt employee with five or more years of continuous service is paid one month full basic salary, then 60% basic salary for up to two months, less other income received as described above. An additional three months will be paid at the weekly disability rate.

A salaried exempt employee with less than two years of continuous service is paid one month full basic salary, then 60% basic salary for up to five months, less other income received as described above.

A salaried exempt employee with two or more years of continuous service is paid two months full basic salary, then 60% basic salary for up to four months, less other income received as described above.

Long-term disability for salaried exempt employees is described in a separate insurance policy.

6.6 Health Insurance

All eligible, full-time, non-probationary employees may elect to participate in the Company's group health insurance plan. An insurance book and current contribution rates will be provided by the Human Resources Department after enrollment. The insurance book will cover items such as dependent eligibility, pre-existing conditions and covered services. In the event any benefit provided by this health and welfare plan is or may be covered by any other plan or insurance policy for the employee or under a plan in which the employee's spouse is eligible to participate, whether it be private, federal or state, that benefit will not be covered by this health and welfare plan to the extent that it is covered by any other such plan or insurance. An employee hired after April 1, 2000, whose spouse is eligible to participate in any other plan or insurance policy due to working thirty-two (32) hours per week or more for another employer must have such spouse obtain single coverage through the spouse's employer.

Health Insurance Benefit At Layoff

Coverage shall be continued for a covered employee on layoff until the end of the month following the month in which layoff begins. Additional coverage is available under COBRA – see Section 6.9.

Coverage for a recalled employee shall become effective on the date he returns to work subject to the seniority rules published by the Company. The Pre-Existing Conditions Limitation will be waived if COBRA Continuation Coverage was in effect immediately after coverage ended until the date of return.

Health Insurance Benefit During Strike

Coverage for employees who go on strike or participate in any unauthorized work stoppage shall terminate immediately.

Health Insurance Benefit During Family, Medical and Other Unpaid Leaves Of Absence

See Section VII. Leaves Of Absence Policies

Health Insurance Benefit During Military Leave Of Absence

Coverage will continue for a maximum of thirty-one (31) days from the day an employee is granted a Company-approved military leave, subject to payment of the contribution then in effect. Coverage will again be effective on the date such employee returns to work and the Pre-Existing Conditions Limitation is waived for any disability which commenced while on leave. Additional coverage is available under COBRA – see Section 6.9.

Health Insurance Benefit At Disability Of Employee

Coverage for a covered employee (and his covered dependents) who becomes totally disabled while covered under the Plan may be continued for up to one (1) year from the date total disability commenced by making any required contributions directly to the Human Resources Department by the fifth (5th) day of each month for which continuous coverage is desired. Additional coverage is available under COBRA – see Section 6.9.

Health Insurance Benefit At Retirement

Coverage shall terminate on the date of retirement. Additional coverage is available under COBRA – see Section 6.9.

Health Insurance Benefit At Death Of Employee

Coverage for the covered dependents of a deceased employee shall be continued to the end of the month following the month in which the death of the covered employee occurs. Additional coverage is available under COBRA – see Section 6.9.

6.7 Wellness Program – Routine Preventive Care – Deductible Waived

If a person covered under Webster's group health insurance plan incurs charges for the following routine preventive care, they will be reimbursed 100% for expenses not paid by the health plan:

1. One (1) Pap Smear per calendar year.
2. One (1) Cholesterol test per calendar year.
3. One (1) Mammogram per calendar year.
(Note: Office visit charges from a physician in connection with the Pap smear, the cholesterol test, and the mammogram will also be covered under this benefit.
4. Initial exam for nicotine patches, not to exceed \$50.00 for the exam, and limited to one (1) exam per covered person per lifetime.
5. A Smoking Cessation Program approved by the American Lung Association, the American Heart Association, or the American Cancer Society. Proof of participation must be submitted with the claim form.

6.8 Prescription Drug Plan

A prescription drug plan is available as a part of the group health insurance plan. Complete details of the prescription drug plan will be provided upon enrollment. See the Human Resources Department if you have any questions.

6.9 Continuing Health Insurance Coverage (COBRA)

Under federal law, employees and their dependents have the option of continuing health insurance coverage at their own expense upon the occurrence of certain qualifying events. Those events include: the death of the employee; termination of the employee (including voluntary termination and leaves of absence, but not including discharge for gross misconduct); divorce or legal separation of the covered employee from his or her spouse; the employee's becoming entitled to Medicare coverage, or cessation of dependent child coverage under the terms of the insurance policy. In the case of divorce or legal separation or cessation of dependent child coverage, you must notify the Company in order for your spouse or dependents to exercise their option of continued coverage.

6.10 Flexible Spending

Health Care Premium Payments

Unless elected otherwise, all covered employees will have their share of the cost of health care coverage paid on a pre-tax basis by participating in "Flexible Spending". This means the employee's share of the cost will be deducted from his pay before his taxable wages are determined. Therefore, total wages remain the same but the amount of wages that is taxed is a lower amount. The use of pre-tax dollars to pay for coverage will reduce federal and state income taxes and increase an employee's spendable income.

The amount of the pre-tax election is not subject to FICA taxes and may have a very slight negative effect on the Social Security benefit payable in the event of a covered employee's retirement, disability or death. Also, many municipalities do not recognize pre-tax elections and impose their city income taxes on gross earnings.

Health Care Reimbursement Account

Webster has a health care reimbursement account plan available to employees where money can be set aside on a pre-tax basis to cover qualified health care expenses (federal guidelines dictate what qualifies).

Enrollment for both Flexible Spending options is done annually through the Human Resources Department.

6.11 Life Insurance

The company provides life insurance without cost to the employee according to the following schedule:

Union Employees (After Probationary Period)	\$20,000 Life and AD&D
Salaried Nonexempt Employees	\$20,000 Life and AD&D
Management Employees	\$50,000 Life and AD&D

Management employees are entitled to purchase supplemental life insurance based on 1-1/2 times base annual salary, with contributions determined by the life insurance company.

Life Insurance At Retirement

Union and salaried nonexempt employees who have attained the age of 62 at the time of retirement will be provided with life insurance in the face amount of Two Thousand Dollars (\$2,000.00).

Management employees who have attained the age of 55 and have 20 years of service at Webster will be provided with life insurance in the face amount of Five Thousand Dollars (\$5,000.00); those who have attained the age of 55 with less than 20 years of service will be provided with life insurance in the face amount of Two Thousand Five Hundred Dollars (\$2,500.00).

6.12 Adjustable Life Insurance

Individual life insurance for the employee and/or family members is available through a group life insurance arrangement. See the Human Resources Department for additional information.

6.13 Retirement Plans

The Webster Savings Plan and Webster Industries Tiffin Collective Bargaining Units 401(k) Plan are intended to be savings plans for retirement. There are no loan provisions within our plans, but certain specified circumstances may allow you to make a hardship withdrawal. These circumstances are governed by IRS rules.

Employees are eligible to join their prospective plan at the start of the first quarter after they have completed one year of employment with Webster Industries Inc. and they have reached 21 years of age.

After meeting eligibility requirements, the Webster Savings Plan for salaried employees allows employees to contribute up to the maximum allowable by law of their gross wages. After you have completed one year of employment, Webster Industries Inc. will match up to 4 percent of your gross wages to your account.

After meeting eligibility requirements, the Webster Industries Tiffin Collective Bargaining Units 401(k) Plan for union employees allows employees to contribute up to the maximum allowable by law of their gross wages. Webster Industries Inc. will make a contribution to this plan – see the Union Agreement for details.

This information is intended to give you an overview of the plans – for more detailed information refer to the Summary Plan Descriptions. Copies are available in the Human Resources Department.

The Company contributes to the union sponsored retirement benefit plan – see the Union Agreement for information.

6.14 Continuing Education

Webster supports employees in the effort to continue their education. The following guidelines are to be followed for tuition reimbursement:

1. Employees need to be actively employed for 12 months.
2. All courses must be related to position at work or relative to obtaining a Business Degree.
3. Employee must fill out a tuition request form and get approval.
4. Employee must sign a payback agreement in the Human Resources Department.
5. After the course is completed the employee must fill out a course appraisal.
6. Employee must obtain a grade of C or better for reimbursement.
7. For reimbursement the employee must bring in a copy of their grades.
8. Employee may attend the school of his/her choice; however, we strongly encourage you to look at reasonably priced, accredited schools.
9. Webster will reimburse up to \$500 per class up to a maximum of \$2,500 per year.
10. Webster will not reimburse for lab fees, books or mileage.

All forms can be obtained in the Human Resources Department. If anyone has questions, they should speak to the Human Resources Department.

6.15 Social Security

All employees are covered by the Federal Social Security Act. A required percentage of your salary or wage must be deducted from your paycheck to pay the employee's portion of this protection, and the Company must match your deduction, dollar for dollar, as required by law.

6.16 State Unemployment Insurance

This program provides weekly benefits if an employee becomes unemployed due to circumstances described in the law. This program is funded by a payroll tax paid by the Company based on employees' earnings.

If you leave the Company, and are unable to receive other employment, you may be entitled to regular weekly benefits. Under such conditions, you are requested to check with the local employment services office.

6.17 Workers' Compensation

Through monies paid in full by Webster Industries, Inc., you are covered under the Workers' Compensation program. Workers' Compensation benefits may pay for your medical treatment and part of any income you may lose while recovering from a work-related injury or illness. All work-related accidents should be immediately reported to a supervisor.

Death benefits may also be paid to dependents of employees whose death is determined to be compensable under the Workers' Compensation law.

6.18 Privacy Policy

Purpose

Webster Industries Inc. places a high value on the privacy of its employees and the expectation that information regarding employees remains confidential and is made available only to persons who have a legitimate right to know. Webster Industries recognizes that all employees, as well as outside contractors, have an ethical and legal obligation to keep certain information about employees confidential and to protect and safeguard this information against tampering and unauthorized use or disclosure.

This privacy policy concerns protected health information ("PHI"). PHI, as defined by federal law, means any individually identifiable health information of an employee, including, but not limited to: social security number, name, address, birth date, age, telephone number, subscriber number, policy number, e-mail address, fax number and medical records.

Responsibility

The duty of protecting any and all PHI is the responsibility of the person who has control or knowledge of PHI. PHI is not confined to written materials, facsimiles, or hard copy, but also includes information derived from any source, including, but not limited to: E-mail, computer data, data stored on electronic media, disks, or personal digital assistants (PDA), verbal communications or records, and visual observation. Employees with legitimate access to PHI will protect this information from casual or unauthorized access. The Human Resources Department holds responsibility to manually file PHI in a secure location; separate from personnel files but within the Human Resources Department.

Process

Employees of Webster Industries, Inc. will discuss, use and disclose PHI to Supervisors/Managers only as it relates to an employee's specific job functions and/or responsibilities. Only "Minimally Necessary" PHI may be disclosed. ("Minimally Necessary" means only that amount of PHI necessary to accomplish the intended purpose of the use or disclosure.) PHI will be disclosed only to those who have a legitimate need to know or who have prior written authorization. PHI must never be the subject of casual conversation or reading either inside or outside of the workplace.

Employees must not leave any PHI on fax machines, printers or copiers and must secure all hardcopy mail containing PHI. Employees must exercise caution and discretion when e-mailing PHI. In order to maintain confidentiality, any items containing PHI are to be destroyed after use by shredding and disposing of them in an appropriate and safe manner.

Any employee who believes he/she has observed a breach of confidentiality should report the breach to the Human Resources Department. Employees found to be in violation of this policy may be subject to disciplinary action, up to, and including termination and/or legal action. PHI is protected by federal and state laws and regulations that define civil and criminal penalties for violations of confidentiality.

(Page intentionally left blank.)

(Page intentionally left blank.)

SECTION VII. LEAVES OF ABSENCE POLICIES

7.1 General Policies Regarding Leaves

There are several general policies that pertain to all types of leaves of absence. Union employees – see Union Agreement.

1. A written request for a leave must be submitted to your immediate supervisor at least 30 days in advance or as far in advance as possible.
2. A point is given and your well day string is broken for the first unpaid day of a leave of absence (except Family Medical Leaves). Consecutive days do not affect the well day string either negatively or positively, a new well day string will begin when your leave ends. However each intermittent leave day will break your well day string.
3. Unless an extension is requested and approved, you are expected to report your status at the end of the approved leave. If you fail to report your status on the first workday after the expiration of the leave, you will be considered to have voluntarily terminated your employment.
4. All available vacation and/or well days must be exhausted before a personal leave of absence will be granted. Any leave that extends beyond available vacation and/or well days will be granted without pay, unless noted otherwise in this employee handbook.
5. You are not eligible to receive holiday pay while on leave of absence; unless the leave is for funeral or jury duty purposes only and provided you are an eligible, non-probationary employee. Under certain conditions you may be required to use vacation time for medical leave.
6. Any leave of absence obtained through false pretenses will result in termination of employment.
7. An employee on leave of absence is subject to job elimination or reduction-in-force the same as an employee who is not on leave of absence.
8. Unless otherwise required by law, while on leave, you must pay Webster Industries, Inc. directly for the premiums on your group insurance plans in order to maintain coverage.
9. Working elsewhere (including self-employment) without prior management approval while on leave of absence or pursuing an interest that conflicts with the purpose of your leave will result in termination of employment.

7.2 Funeral Leave

The Company realizes the emotional stress and additional responsibility that results from a death in an employee's immediate family and, therefore, provides the following paid funeral leave for eligible, non-probationary employees.

In the event of death in the employee's immediate family the employee will be granted three (3) days' pay consisting of eight (8) hours pay per day at the employee's straight time hourly rate, to compensate for time lost to attend the funeral of a member of the immediate family. The employee will also be excused from all scheduled working hours on the day before, the day of a, and the day following the funeral.

The term "immediate family" shall be specifically limited to father, mother, brother, sister, spouse, child and present mother-in-law and father-in-law. The Company may, in its discretion, require the employee to furnish proof of death, in which event a newspaper obituary shall be deemed acceptable.

In the event of the death of a brother-in-law, sister-in-law, grandparent, and grandparent of current spouse, son-in-law or daughter-in-law of the employee, the employee shall be allowed one (1) day of eight (8) hours straight time pay to compensate for time lost from regularly scheduled working hours to attend the funeral. If the day of the funeral is not a scheduled work day no compensation shall be paid. As used in this paragraph brother-in-law or sister-in-law shall be defined as including the brother or sister of a current spouse and child shall include legally adopted children and stepchildren living in the home of the employee.

Should additional time off be necessary, you should discuss this need with your Supervisor.

7.3 Jury Duty Leave

Any employee called to serve as a juror or as a witness in Court as a result of a subpoena for any action to which he is not personally responsible will receive the difference between the pay received for said service and his regular hourly rate of pay for his regularly scheduled hours, provided he works up to one (1) hour prior to the scheduled appearance and returns to work within one (1) hour after the conclusion thereof, unless it is not possible to make the trip to the plant in this amount of time. Furthermore, an employee must make advance written application for such leave in order to receive pay for the time off.

7.4 Military Service Leave

Any leave of absence which is designated by law as a military service leave will be observed as outlined by federal or state law.

The Uniformed Service Employment and Reemployment Rights Act (USERRA) provides that any individual who is absent from employment because of a voluntary or involuntary military service obligation has the right to reemployment and all its accompanying benefits, as long as:

- The individual provides advance notice to the employer of his or her impending military service.
- The individual is honorably discharged.
- The leave does not exceed the maximum length of absence (as defined by the law).
- The individual applies for reemployment in a timely manner (as defined by the law).

Please contact the Human Resources Department if you have any questions concerning a military service leave.

7.5 Family And Medical Leaves Of Absence

General Provisions

- A. All employees meeting eligibility requirements may be granted a total of twelve (12) weeks of family and medical leave during any rolling twelve (12) month period. The twelve (12) month period will be measured backward from the currently requested leave date. Meaning any day used under FMLA will count towards your yearly total until 12 months have passed and that day drops off.
- B. Only employees who have been continuously employed for at least one (1) year and have worked at least 1,250 hours in the preceding twelve (12) month period are eligible for family and medical leave.
- C. For FMLA purposes, any employees employed through a temporary services agency are the responsibility of the agency.
- D. The Company may require the employee to use any remaining paid vacation time or other paid leave before commencing unpaid leave. The Company will not require an employee to use unpaid, unscheduled vacation leave for FMLA leave pay weeks for which the employee is receiving payments under the Company's Disability Plan.

Reasons For Leave

- A. Eligible employees may be granted family and medical leave for the following reasons:
 - 1. Birth and care of the employee's child, or placement of a child with the employee for adoption or foster care.
 - 2. To care for the employee's spouse, child or parent who suffers from a serious health condition (Note: The care of an "in-law" is not covered under Federal FMLA guidelines.); or
 - 3. The employee's own serious health condition.
- B. The entitlement to leave for birth or placement of a child will expire twelve (12) months from the date of birth or placement.
- C. A husband and wife who are eligible for FMLA leave and are employed by the same employer are permitted to take only a combined total of twelve (12) weeks of leave during a twelve (12) month period if the leave is taken for birth, child care, or to care for a parent with a serious health condition.

Procedures For Requesting FMLA Leave

- A. All employees eligible for FMLA leave must complete a "Request for Family or Medical Leave" application form. The application must specifically state the reason for the leave and the starting and ending dates of the leave.
- B. For the planned or foreseeable leave, employees must submit the FMLA application form at least thirty (30) days before the leave commences. If the employee has not given the required 30-day notice and provides no reasonable excuse, the leave will not be granted until the date of the initial notice has elapsed. The 30-day notice requirement does not apply to emergency leave requests.
- C. An application for leave based on the employee's own serious health condition or the serious health condition of the employee's spouse, child or parent must be accompanied by a "Certification of Physician or Practitioner" form which must be completed by the attending physician within fifteen (15) days. The employee must submit a new Certification of Physician or Practitioner form every thirty (30) days from the start of the leave and provide the current status of the leave every thirty (30) days along with the date that the employee intends to return to work. If an employee who qualifies for FMLA leave is also entitled to disability benefits, a separate claim form must be submitted to obtain these benefits.
- D. For salaried employees, both the FMLA application form and the physician certification form must be forwarded to the corporate Human Resources Department. For plant employees, both forms are to be filed in the employee's medical file maintained at the plant.
- E. Employees may request FMLA leave on an intermittent or partial day schedule. However, intermittent leave for a birth or adoption is subject to employer approval, while intermittent leave for a serious health condition of the employee or a family member is based on medical necessity. If an employee requests an intermittent (partial day) schedule for FMLA leave, only the hours the employee was absent will be counted towards the twelve (12) week maximum duration.

Benefits During Leave

- A. During the course of an approved FMLA leave, the employee shall be retained on all group insurance plans to which they were enrolled immediately prior to the commencement of the leave.
- B. Employees who are maintaining medical and/or prescription drug coverage when they qualify for FMLA approved leave can continue coverage during the leave as long as they continue to remit the monthly contribution, if required. Contributions are due on the same date as the normal payroll date. If the contribution is more than thirty (30) days late, medical and/or prescription drug coverage will be terminated.
- C. If medical coverage had lapsed during the FMLA leave due to the employee's failure to pay the required contribution, coverage will be reinstated on the first day of the month following reinstatement without the application of any waiting period or pre-existing condition limitations.
- D. If a leave is due to the employee's serious health condition and the employee qualifies both under the terms of the FMLA and the Company's Disability Plan, the disability leave period will be credited toward the twelve (12) week FMLA maximum duration even though the employee is collecting benefits under the Disability Plan.

Return From Leave

- A. If the FMLA leave is due to the employee's serious health condition, the employee must obtain and submit a release to return to full time duty from the attending physician. Without this release, the employee will not be returned to active status.
- B. An employee returning from FMLA leave and having met requirements of this policy shall be restored to their former position or a position of equivalent pay, benefits and conditions of employment. The determination of an equivalent position will be made by the Company.
- C. The provision to restore the employee to their former or equivalent position shall not apply to "Key Employees". A key employee is a salaried employee who is among the highest paid 10% of all of the employees within 75 miles of the worksite. A key employee may be denied job restoration if the restoration would cause "substantial and grievous economic injury" to the business, and the Company advises the employee before or during the leave of intent to deny job restoration and the reasons for the denial. A key employee who has received such notice may still request job restoration at the end of the leave. The Company must then determine if substantial and grievous economic injury would result from reinstatement. If job reinstatement is subsequently denied, the Company must give the employee written notice in person or by certified mail explaining why the reinstatement has been denied.

Failure To Return From Leave

- A. The failure of an employee to return to work upon expiration of the leave or to contact the corporate Human Resources Department on the date intended, shall be considered a voluntary termination of employment. Since termination of employment would be considered a qualifying event under COBRA, the appropriate continuation of coverage forms will be forwarded to the employee.

- B. If an employee fails to return to work upon expiration of the leave for reasons other than the continuation, recurrence or onset of a serious health condition that would entitle the employee to medical leave or other circumstances beyond the employee's control, and the Company requires, the employee will be financially responsible for all costs incurred by the Company to maintain benefit coverage during the leave.

Anyone needing additional information should contact the corporate Human Resources Department.

(Page intentionally left blank.)

(Page intentionally left blank.)

SECTION VIII. EMPLOYEE/COMPANY COMMUNICATIONS

8.1 Open-Door Policy

We have an open-door policy under which each employee can express his/her opinion, raise issues of concern, or seek information and answers from all levels of management. In all fairness to your Supervisor, most matters should be discussed with him/her first. However, should you have a situation which, due to the sensitive nature of its content, you would like to discuss privately with someone other than your Supervisor, you may arrange such an appointment with any other member of management.

Also, you should feel free at any time to discuss with management any personal matters that may affect your own or the Company's welfare.

8.2 Employees' Suggestions

All employees are encouraged to share with the Company their ideas and suggestions which may be of benefit to Webster Industries, Inc. and its operations or its employees and their welfare. Continuous improvement is part of Webster's business objective and a standard way of documenting improvement ideas is with the Corrective/Preventive Action Report (CPAR), which is a tool of the Webster Quality System. Please put your idea or suggestion on a CPAR and give it to your Supervisor or other management personnel. The same procedure may be used to raise specific questions, suggest opportunities for improvement, or ask about problems to which you would like management to respond.

8.3 Bulletin Boards

Considerable information about work schedules, Company activities and other pertinent information on monitoring and measuring Company goals and objectives are posted on the Company bulletin boards. Nothing is to be put on the bulletin boards without the prior express approval of Company management or the Human Resources Department.

8.4 Your Personnel Record

Keeping your personnel record correct and up-to-date is important to you because it enables the Company to reach you in an emergency, forward your mail, properly maintain your insurance and other benefits and compute your payroll deductions. You are responsible for notifying the Human Resources Department of changes in:

- Address and telephone number.
- Your name.
- Family status (birth, marriage, divorce, death, legal separation, dependent information, etc.)
- Beneficiary designations.

Due to government compliance and company requirements (such as company sponsored benefit plans) it is important that current information is maintained at all times during your employment and after your separation from the Company.

8.5 Company Information Systems

See Section III, Standards Of Employee Conduct, 3.14 Use of Company Computers and Information Systems.

8.6 Notification Of Plant Closing

Should it become necessary to shut down the plant and offices due to flood, power failure, snow, etc., the decision to curtail operations will be made by the President & CEO, Vice Presidents and/or Human Resources Manager. Once the decision has been made to curtail operations, the Human Resources Department will contact the local radio station and have them broadcast an appropriate message.

8.7 Employee Resignation

If you decide to leave the Company, please advise your Supervisor in writing at least two (2) weeks prior to your date of departure so that an orderly transition can be made. Webster Industries, Inc. reserves the right to sever the employment relationship at any time after a resignation notice is given. This process includes turning in Company property and completing required forms.

SECTION IX. MISCELLANEOUS POLICIES

9.1 Physical Examinations

The Company may, where job related and consistent with business necessity, require you to have a medical and/or physical examination by a health care professional of the Company's choice. The Company may require you to take a medical leave of absence if the physician so recommends. A pre-employment physical and drug testing is required.

9.2 Reduction In Force

Any time a selection is to be made among employees for a reduction in force (job elimination due to lack of work or reorganization), consideration will be given to an employee's knowledge, skill, efficiency, reliability, attendance, overall record, and all things being equal, length of service with the Company.

For union employees – see Union Agreement.

SECTION X. SUMMARY

10.1 Summary

The policies, practices, and benefits expressed in this handbook are those currently in effect at Tiffin, OH; Meridian, MS; Tualatin, OR; and for other direct employees in other locations. This handbook does not create a contract of employment between the Company and you. Because the continued success of our, or any, Company requires the ability to change and adapt to the times, these policies, practices and benefits may be suspended, modified or cancelled, without advance notice, as determined by Webster Industries, Inc. No modification or cancellation of any of the provisions in this handbook will occur unless in writing and signed by an officer of this Company. Should the Company determine that changes are required, we will make every effort to contact you as soon as practical, in writing, with details on the new policy.

This Employee Handbook replaces and supersedes any previous employee handbook(s) you may have received from the Company or any oral or written agreement relating to the same or similar subject matter which you may have entered into with the Company with respect to your employment. This Employee Handbook may not be changed in any detail by any verbal statement, representation or other agreement made by any other Company employee, or by any written document signed by any Company employee other than a Company officer.

This handbook was created to help you get off to a pleasant start at Webster Industries, Inc. by minimizing the confusion that always surrounds one's first few weeks on the job. By providing you with the most pertinent information about the Company in general, the personal side of your job, our benefits program, and the basic rules for your job behavior, we hope we have succeeded in our objective.

Again, all of us at Webster Industries, Inc. welcome you. We look forward to having you as a member of our team.

(Page intentionally left blank.)

ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK

This will acknowledge your receipt and understanding of the provisions contained in our Employee Handbook. The information contained in the Employee Handbook has been prepared to give you a better understanding of your job at Webster Industries, Inc. and to give you a summary of the wages, benefits and personnel policies and programs of the Company. Although the Handbook reflects our current policies, it may be necessary, of course, to make changes from time to time to best serve the needs of our organization. However, any changes will be made in writing, and no verbal modification of the policies reflected in the Employee Handbook will be effective.

If, in this Handbook, we have mistakenly said anything that is different from the actual provisions of the applicable benefit plan documents, the actual provisions of the benefit plan will govern. Further, the policies and statements contained in this Employee Handbook (and any future changes) are not considered as an employment contract. Instead, the Handbook serves the purpose of a guideline to help improve our mutual communications. Also, except for union employees, it should be noted that your employment is considered an "at will" arrangement, meaning that you may terminate your employment at any time and the Company has this same right. If you have any questions about any of the policies contained in the Handbook, please contact your Supervisor or the Human Resources Department.

I acknowledge that I have received a copy of the Webster Industries, Inc. Employee Handbook. I understand that it is my obligation to read and comply with the policies and provisions contained within the handbook. I further understand that if I have any questions about any policies or provisions, it is my responsibility to contact my Supervisor or the Human Resources Department.

Date_____

Employee_____

Witness_____

Detach after employee signs and place in personnel file.